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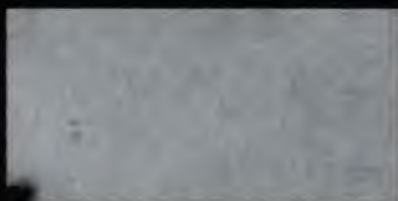
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THE PROGRESS
OF THE
GERMAN WORKING CLASSES

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THE PROGRESS
OF THE
GERMAN
WORKING CLASSES
IN THE LAST QUARTER OF A CENTURY

BY

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WITH MAP, DIAGRAMS AND CHARTS

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P R E F A C E.

THE purpose of this collection of evidence is, in some small measure, to clear the air in the fiscal controversy. The advocates of tariff inaction commonly allege that the condition of the German people is such as properly to deter Great Britain from any departure from its present policy. It is here shown, first, that if any argument of the kind could legitimately be based on a direct comparison—and even this much cannot be granted—the comparison is a far more difficult and dubious affair than is supposed, and the balance of advantage by no means indisputably in favour of this country. It is further shown, and this is the more important part of the argument, that whatever may be the comparative position of the two countries, Germany has actually witnessed a great advance in the well-being of the masses of her people within the last quarter of a century—a period during which she has also been pursuing a policy of Protection.

▼

It should, however, be perfectly clear that it is no part of my present contention that German progress in general material prosperity has been the result of Protection : it will be quite sufficient for my present purpose if I can produce a realisation of the fact that Protection has not been inconsistent with—has, if you like, not prevented—a great advance. Nor do I maintain that the tariff measures of Germany are necessarily appropriate for Great Britain. Great Britain has other objects in view than Germany, and must use somewhat different means for their accomplishment. The question for Great Britain is primarily that of the consolidation of the empire. To that end, some restraint on imports from lands outside the empire will be necessary in order to facilitate freedom of trade within. And, in the transitional period, before English trade acquires its firmer imperial basis, it may be necessary to have recourse also to measures for temporary defence. My object will be reached if some of my readers find it easier, after reading this little book, to face these necessities with a certain equanimity and sense of proportion.

Much of the improvement in the condition of the masses in Germany has been the outcome of the active work of Social Reform—reform by means of legislation as well as by private endeavour in many directions. The example of Germany—if one takes

a large view of the trend of events over the period as a whole—proves that Social Reform is not, as a matter of fact, unattainable side by side with a Positive Policy in the matter of tariffs. This is a great comfort to those of us who are Social Reformers first and Imperialists afterwards; those of us who, in the present crisis of our national fortunes, are such ardent Imperialists that we are ready to risk even the real dangers of tariffs, and to do this just because we are Social Reformers. And the experience of Germany suggests a further thought; and that is, that the next large onward movement of social legislation in this country is probably not to be effected by a vague humanitarianism; that it will be possible only with the acquiescence and co-operation of the employers; and that this can only be obtained when British employers feel that they can carry on their operations with a reasonable degree of commercial security.

I trust my German friends will not think I have painted German conditions in too bright a hue. We must all recognise that Germany entered upon its career as a World-Power under many disadvantages: we must all realise, also, that during the last quarter of a century a vast internal economic transformation has been taking place which was bound to occasion grave evils in Germany, as in every other country. Germany has become a great industrial state; the

new methods of modern machinery and large capital have created forms of employment unknown before ; huge urban agglomerations have been called into existence ; the “ domestic ” industries are being destroyed or are in danger of becoming mere parasites in the social body ; and meantime the national agriculture has been subjected to the strain to which all the old nations of Europe have been exposed by the competition of the virgin soils of new lands. That Germany should have passed through the trial with no more wreckage and wastage than she has indeed suffered ; that her legislators should have made an effort, unprecedented in its magnitude, to insure her people against the more demoralising causes of distress ; that agriculture has been saved and retained as a large element in the wholesome life of the nation,—all this is just ground for congratulation on the part of every German citizen. But that there should remain very much that is saddening and alarming in the outlook there, as in Great Britain—who can expect otherwise ? There, as here—

This fine old world of ours is but a child
Yet in the go-cart.

It would be too disheartening did we not recognise the progress so far achieved ; and when it is the case of another nation we are considering, wilful ignorance on our part tends only to national Pharisaism.

The wise attitude to take up is that of a man like Von Berlepsch, in a speech which has reached me since this book was written. Von Berlepsch presided, as Prussian Minister of Commerce, over that Conference on Industrial Legislation at Berlin in 1890 which marks the beginning of international co-operation for the protection of labour. As a landed proprietor, and as intimately associated with large industrial undertakings, he knows the employer's side of the matter; as a man of science he has an exact knowledge of existing evils; and he has shown his courage in the promotion of social reform by the measures which led to his leaving office, and by his subsequent public action. As leader of the Moderate party of Social Reform he has lately been insisting on the urgency of the tasks still to be undertaken. But he feels bound to begin by the following unmistakable declaration, on which the last three chapters of this book might be regarded as a commentary: "First, let me say that I am very well aware that the condition of industrial wage-earners has, on the whole, become better in the course of recent decades, and that with some industries and classes of workmen the improvement has been quite considerable—together apart from the blessings which can hardly be overestimated of the insurance against sickness, accident, old age and infirmity. Absolute, permanent poverty ('Elend') has considerably diminished;

indeed, it has practically retreated to certain branches of 'home' work. . . . The fact needs no long argument; even the leaders of Social Democracy now recognise that the theory of the progressive impoverishment of the masses can no longer be maintained. Slowly and by little steps rises the well-being of the general body of the people; and no small number of those classes of the population which thirty years ago obtained a bare subsistence, have now made their way into a middle class and enjoy a fairly adequate income."

EDGBASTON,

4th November, 1904.

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THE PROGRESS OF THE GERMAN WORK- ING CLASSES IN THE LAST QUARTER OF A CENTURY.

CHAPTER I.

PRELIMINARY.—THE ARGUMENT FROM COMPARISON: ITS FUTILITY AND PERPLEXITY.

BEFORE the present fiscal controversy arose in this country, it had come to be generally recognised by economists, both here and elsewhere, that no conclusion could be drawn as to the success or failure of a particular tariff policy from a mere comparison of one nation with another. "The tariff system of a country," it has been well said, "is but one of many factors entering into its general prosperity. Its influence, good or bad, may be strengthened or may be counteracted by other causes; while it is exceedingly difficult, generally impossible, to trace its separate effect."¹ And yet, during the last few months, no arguments have been more generally used by those who resist any change in our present policy than references to the alleged condition of affairs in one particular

¹Taussig, *The Tariff History of the United States*, p. 121.

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protectionist country, *viz.*, Germany. Such modes of controversy have not been restricted to popular propaganda—taking such forms, for instance, as the familiar poster contrasting “the Free Trade Loaf” with “the Protectionist Loaf”. Statesmen of repute have made precisely the same use of sweeping assertions as to the German “standard of comfort”. And some of the very people who lay stress on the provisional conclusion of the Board of Trade¹ that the average level of industrial wages in Germany is only two-thirds of that in the United Kingdom, push aside the other conclusion of the same report that in the United States it is one and a half times as great with the remark—true, but equally applicable to Germany—that “conditions are different”.

It requires but little reflection to understand why it is that a direct comparison, exceedingly difficult and insecure as it must be in the case of any two countries, is absolutely valueless as applied to Germany and Great Britain. In the first place, ever since the seventeenth century this country has enjoyed enormously great historical advantages. The last war which harassed England was that of Roundhead and Cavalier—a war which was of brief duration and only slightly touched the daily life of the great body of the people. The seventeenth century means for Germany the in-

¹ *British and Foreign Trade and Industry*, 1903 (Cd. 1761), p. 290. (Henceforth quoted as *The Fiscal Bluebook*.)

comparably graver disasters of the Thirty Years' War—a chasm which separates a time of relative prosperity from long subsequent stretches of poverty and stagnation. Listen to a great historian:—

The losses of the civil population were almost incredible. In a certain district of Thuringia, which was probably better off than the greater part of Germany, there were, before the war-cloud burst, 1,717 houses standing in nineteen villages. In 1649 only 627 houses were left. And even of the houses which remained many were untenanted. The 1,717 houses had been inhabited by 1,773 families. Only 316 families could be found to occupy the 627 houses. Property fared still worse. In the same district 244 oxen alone remained of 1,402. Of 4,616 sheep not one was left. *Two centuries later the losses thus suffered were scarcely recovered.* . . . The very pattern of the chairs on which the peasant sat, of the vessels out of which he ate and drank, assumed a ruder appearance than they had borne before the war. In all ranks life was meaner, poorer, harder than it had been at the beginning of the century. . . . Germany lay for a time in the insensibility of exhaustion.¹

And, in the century and a half that followed, her efforts to raise herself from the slough were again and again retarded by the devastating wars due to the ambitions of Louis XIV. and Napoleon. What industrial life did struggle into existence was seriously hampered by the narrow limits of the several states. It was as much as the more powerful and enlightened principalities could do to weaken the selfish sectionalism of the towns and provinces within their several

¹ Gardiner, *The Thirty Years' War*, pp. 212-16.

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territories: for internal freedom of trade throughout the land, for anything like completeness or convenience in the means of communication, Germany had to wait till well into the nineteenth century.

And to these historical advantages on our side, must, of course, be added great natural advantages. Our larger supply and finer quality of coal, the poverty of the soil of North Germany, the suitability of the climate of Lancashire to the cotton manufacture—these and like significant facts have been too often pointed out to need emphasising. It is true that these advantages are now diminishing; but not until they have given us a very considerable start. The industrial revolution which began in England in the last quarter of the eighteenth century scarcely showed itself in Germany till about the middle of the next. Under these circumstances, to attribute a lower standard of comfort in Germany—supposing it to exist—to the fact that for the last twenty-five years Germany has pursued a policy of protection, ought to be impossible to any one with any historical sense.

Moreover, not only would a conclusion, supposing we could reach it, as to the relative prosperity of the two nations, fail to support the contention based on it; we are unable even to arrive at any such conclusion—at any rate in anything like the simple form in which it is commonly looked for. For the economic

structure of the two peoples is so different that a brief and summary comparative valuation is out of the question. Agriculture occupies a far larger part of the German nation. Some 34 per cent. of the population is still directly engaged in or supported by agriculture. And the agriculture of Germany is still chiefly carried on by peasant proprietors. Three-quarters of the agricultural surface is cultivated and owned by "peasants" (*Bauern*) in the German sense of the term, *i.e.*, cultivating owners able to maintain themselves on the produce of their land and employing little labour outside their own families. These figures include all the farms between 2 and 100 hectares (5 to 250 acres). To the objection that properties of two hectares are often too small, and those of a hundred hectares too large to maintain genuine peasant homesteads, it is replied that "in Northern Germany farms of even more than 100 hectares sometimes really present a peasant character, while in the fruitful districts where fruit, grapes, tobacco and hops are grown, even farms under two hectares are sufficient to make the cultivator independent".¹ These farms represent considerably over a million and a quarter of households, or, reckoning five persons to a house-

¹ *Die Landwirtschaft im Deutschen Reich* (*Statistik des Deutschen Reichs*, N.F., Bd. 112; German Statistical Office, 1898), p. 10*; commenting on the results of the Occupation Census of 1895.

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hold, an independent peasant class of some six or seven millions. Now such a class practically does not exist at all in England. They can neither be compared to our "farmers" nor to our "labourers". How, then, from our overwhelmingly industrial and urban population on the one side, our landlords and farmers and the dwindling body of agricultural labourers on the other, can we possibly construct a "composite photograph" of a "standard of comfort" to be compared with a like composite photograph derived from the much smaller urban population and the peasant class—unparalleled with us—to be found in Germany? The task is an impossible one. Of course, so long as statistics can be got together, an *arithmetical* average can be struck; for an average can be made of any set of figures, however disparate the material. But it will correspond to no reality in the land of the living.

Most of the comparisons, it is fair to say, which have lately been put before us, only take into consideration the industrial (*i.e.*, manufacturing) population of the two countries. It is seldom noted that, were they unquestionably accurate in themselves, such comparisons, as we have just seen, must be misleading, since industry is much more characteristic of Great Britain than of Germany. And even these "industrial" comparisons—and this is the next point it is

desirable to emphasise—are exceedingly insecure. It is by no means certain that the manufacturing working classes are “worse off” economically than similar classes with us. Let us look at some of the outstanding facts of the situation; they may perhaps induce controversialists to be a little less positive in their utterances.

Of all the elements in the economic position of the workman the amount of his earnings is evidently much the most important. And we have to begin by recognising that, in spite of the tons of volumes of figures already produced, the science of statistics in relation to workmen's earnings is yet in its infancy. And if this is true of each particular nation, the science of *international* earnings-statistics is still unborn. The problem, indeed, is one of the utmost difficulty and complexity. For what we want are not only figures, so far as may be, of arithmetical accuracy, we want figures which shall give us a true picture of the total resulting condition of the people we are considering. To begin with, we have to be sure that we are comparing like with like—that the same term means the same sort of workman. Many of the figures produced reach us from trade unions; but unions bearing the same name in the two countries do not always include the same grades of labour.¹ Then, if we are comparing whole

¹ Hasbach in Schmoller's *Jahrbuch*, xxvii., 2 (1903), p. 21.

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nations or whole districts, we must, before committing ourselves to a general judgment as to how much per cent. earnings are lower in the one than the other, assure ourselves that the several occupations with different earnings are represented in the same proportion in the two cases, or, if not, that we have made due allowance for the difference. It is difficult to understand the *sang-froid* with which the Board of Trade, putting forward figures which were certain to be seized upon for controversial purposes, could content itself with a passing remark that "in this estimate no account is taken of differences of distribution of industries".¹ In the next place, in simply comparing workman with workman, mere information as to "rates" of wages—beyond which statisticians, even those of the Board of Trade,² have seldom gone—is of little use, unless we know how much employment—how many pieces or how many days in the course of the year—was furnished at that rate. If the rate is a "standard rate," we want to know how far actual earnings fell short of or exceeded it. We have to be on the look-out for differences in the organisation of labour—such as the greater prevalence in England of the sub-contract system—which make it hard to institute a comparison. And when

¹ *The Fiscal Bluebook*, pp. 288, 290.

² In their own estimates, *The Fiscal Bluebook*, p. 288. They quote, however, some figures of family incomes from a U.S. inquiry.

we have got figures which answer all these conditions, we must still inquire whether the workman has a by-occupation which contributes to his annual income, and whether in workmen's families as a general thing the wives and children do as a matter of fact add to the family earnings. This is a most important consideration where, as in a country such as Germany, certain industries are scattered over the country side, and almost every family engaged in them has a piece of land to cultivate. The very existence of such secondary or subsidiary occupations or sources of income may depress the wages of the main employment; on the other hand, they may give greater security in times of depression. Evidently they cannot be left out of account.

We certainly do not possess as yet any comparative statistics which reach the level of these obvious requirements: the Board of Trade, as we have seen, has not even attempted to satisfy them. It is doubtless true that "the average level of industrial wages" is lower in Germany than in Great Britain, though the "two-thirds" of the Fiscal Bluebook can be regarded only as a very rough-and-ready estimate. We should observe, however, that it is by no means the case that wages are universally lower. The most careful recent investigation with which I am acquainted is that of Professor Hasbach,¹ who has a wide knowledge of

¹ In Schmoller's *Jahrbuch* (1903), xxvii., Heft 2.

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English conditions, and has taken the trouble, by private inquiries, to get behind the official figures. He concludes that, while in most industries wages are considerably lower, there are some in which the difference has of late been clearly diminished—as in the case of machinists and shipbuilders on the western side of the country. In one considerable industry—that of the woollen weavers and spinners—he is inclined to think that, though the topmost class of wages is not reached, “the centre of gravity is somewhat higher than in England”. And in the most important German industry of all, the manufacture of iron and steel, he thinks that, in its chief seats, Westphalia and the Rhineland, wages are “on the average not lower, but probably even higher than in England”. This is the more noteworthy because (1) it is the trade which is most seriously competing with our manufacturers, and (2) which is setting the tone for the industrial life of Germany, and (3) because apparently it gives employment to a considerably larger number of workmen than the same trade in this country.

Professor Hasbach’s verdict, which might be suspected of unconscious national bias, is largely based on the material furnished by the Report of a Delegation which was organised by the British Iron Trade Association to inspect Belgian and German works in 1896.¹ The Delegation was composed of seven

¹ London : King & Son, 1896.

employers' delegates, including several leading iron-masters and managers, and of seven officers of large trade unions. Their Report was "necessarily colourless"; and one who reads between the lines will suspect that it was on the question of wages that the two sides were unable to agree, the workmen wanting to present a more roseate picture of German conditions than the employers would agree to. Hence the guarded conclusions which both sides nevertheless agreed to sign are the more significant.

So far as Germany is concerned, the greatest difference compared with our own country consists in the amounts received by many of the head "mill-contractors," or rollers, whose counterparts practically do not exist in Germany, the engineer there taking the full control, oversight and responsibility of his department. Apart from these men, there is not the difference in the wages paid as between Germany and this country that is commonly supposed to exist, taking into consideration the whole of the manufacturing departments in iron and steel works. In other words, *the general distribution of wages is more evenly balanced*, and we did not find the extremes that obtain amongst English workmen.

What the workmen's delegates would probably have liked to report may be gathered from this passage from an account one of them gave of his visit to a particular works:—

We asked the director, who has lived in the North of England, "What is your experience relative to the rates paid in Germany and in England?" Without hesitation he said: "Undoubtedly our men are better off than the men in England. We pay, generally speaking, higher wages. You have some few men who

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get higher wages than any of the men in our works ; but over the whole of the men we pay higher wages than you pay. It is an absolute fact that the wages in these works, in all departments, are higher, and the condition of the men is better than in England."

The Report adroitly evades either accepting or denying this assertion by "leaving the figures, as they stand on the record, to speak for themselves"! ¹

Thus then, before hastily appealing to the inferiority of German wages, it is desirable to pause and reflect how doubtful are the figures and with what qualifications they ought to be employed.

And the same caution is necessary in reference to the hours of labour. It is not easy to find out what the hours actually are, for we have to allow for the relative quantity of overtime. And when we do discover the hours, it is altogether too simple a procedure to assume that an hour of labour necessarily involves an identical strain on strength and nerves in the two countries. Here controversialists rush in where even the Board of Trade fears to tread, for the Fiscal Bluebook expressly declines to enter into the question of "the intensity of labour". ² The problem is a most involved one, and its conditions differ from manufacture to manufacture. On the whole we cannot doubt that a reduction of the hours of labour is beneficial to the workpeople, and we shall by-and-by observe the en-

¹ *Report*, pp. 12, 23, 43.

² P. 287.

couraging decrease recently secured in Germany. But it must not be quite forgotten that in some cases the shortening of the time may lead to such an intensified demand on the energies of the workpeople that the final balance of advantages becomes really quite doubtful. The passage is well known in which Mr. Maudsley, the well-known trade union secretary, himself once a spinner, expressed his feeling on the point:—

In my time we had a reduction of the hours of work from 60 hours to 56½, and at the same time, increased speed upon the mules; and I know that I was always very tired at night. “Do you think that the work of the 56½ hours is greater than it was when there were 60 hours?” Speaking of spinners, I think it is.¹

And this reminds us that in the cotton manufacture of Germany the machinery goes at a considerably slower pace than in England: at least this was the case when Professor Schulze-Gaevernitz wrote his oft-quoted comparison between English and German conditions.² The hours of attendance at the mill were then two more in Germany than in England; but at the same time, even in the best-equipped German mills, the spindles ran 10 per cent. slower;

¹ *Report on Depression of Trade*, qu. 5157, 5119, quoted by Hasbach, *u.s.*, p. 42.

² *Der Grossbetrieb* (1893), translated as *The Cotton Trade in England and on the Continent* (1895). See an abstract, as to hours of labour, in Rae, *Eight Hours for Work*, p. 150.

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and, in consequence of stoppages to knot threads or repair the machinery, they were not actually running more than 80 per cent. of the time, as compared with the 92 to 95 per cent. run in England. And the German economist exclaims :—

Those who have observed the mule-spinner in Oldham, in the midst of the whirling of 2,500 spindles, or the female worker in Burnley environed by four or six shuttles, working at the speed of 200 picks per minute, know what a higher degree of mental application is here demanded.¹

The truth is that, in the older trades, German labour is, generally speaking, more leisurely than English; and if this has its social drawbacks, it has some physical and mental compensations. That long hours in far too many instances are a mere “exploitation” of the labourer, I should not for a moment deny; but in not a few it is the concomitant of a more patriarchal, a less commercialised, a more easy-going habit of mind. Moreover, labour in itself involving the same muscular or nervous strain per unit of time may be less fatiguing if carried on under more healthy conditions. Unquestionably some German industries enjoy advantages in this respect not to be found in their English rivals. Thus, a recent report by an expert, sent to inspect the German glass manufacture by the Technical Instruction Committee of the Staffordshire County Council, after explaining, in the case

¹ *The Cotton Trade*, p. 127.

of most of the works visited, that they were right out in the country, some of them "entirely surrounded by pine forests," sums up the physical conditions as follows :—

To go into a German glass-house with . . . even six furnaces under one roof is very different from going into one of our English houses. There the atmosphere is quite bearable, and free from the vile smoke, the insufferable temperature, and the still worse effects of sulphur which are always in evidence in English glass-houses. The Germans can have their windows and doors in the glass-house wide open owing to the furnace not being dependent on its own draught, as this is obtained from a tall stack placed in the yard. One cannot wonder that the German maker can work ten hours, whereas the English maker finds it quite enough to work six hours a day.¹

There is possibly some exaggeration here: one would like to hear the opinion of the operatives. And there is no material at hand to justify any very confident opinion as to the extent to which this sanitary superiority is general. But it is easy to see that the matter is not one that should be quite overlooked.

But now we must notice that, after all, longer hours do not seem to be characteristic of the great modern industry whose rise in Germany in the last three decades has been most significant for them and for

¹ Page 19 of the *Report* of Mr. Frederick Carder, Glass Instructor to the Committee, which has been printed in pamphlet form by the Staffordshire County Council.

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us. The Report before quoted on the iron industry declares that—

In the iron and steel works of Germany the length of the shift is twelve hours, as in this country ; but in Germany there is a compulsory stoppage of two hours per shift throughout the entire works.

And even these hours were not always anything like fully occupied. In one great mill—

It was found, according to their system of changing, that no man during the twelve hours did more than five hours' actual work, and in the blooming and rolling mills the maximum was seven hours.¹

And this was apparently not considered altogether exceptional.

Mere statistics of wages and hours of labour, however, do not tell us everything about the standard of comfort of a people. We must take into account all the larger facts of the environment. We must ask, for instance, how the working population is protected, or manages to protect itself, against the economic effects of sickness and old age ; and therefore so big a fact as the German compulsory system of Workmen's Insurance must not be disregarded. Let us put on one side the Accident insurance system, as roughly balanced by our recent Compensation legislation, though the latter is probably less efficacious for

¹ *Report*, pp. 19, 37.

its purpose. There remains the Sickness insurance system and also that which covers Old Age and Infirmary. These may be roughly compared with our Friendly Society organisation, supplemented by various Union and other Trade societies. But there are these striking differences. (1) Two-thirds of all the wage-earning workpeople in Germany are insured against sickness, and can confidently look forward to receiving, in case of need, both medical assistance and pecuniary relief;¹ i.e., there is a much narrower fringe of people totally unprovided for. (2) A considerable part (one-third) of the cost is *compulsorily* borne by the employers. (3) Thirteen out of sixteen wage-earning workpeople have a right to a small pension in case of permanent incapacity, or on reaching the age of seventy—a far larger number than the few who in England benefit by friendly society pensions. The accompanying diagram vividly presents to the eye the proportion of the working population of Germany which falls within the range of this beneficent system. The pension is small, varying from about two shillings to five shillings a week. But added to other means of livelihood, it will often make all the difference between a pinched but possible existence and absolute starvation; and it is to be remembered that it can be claimed as a right and not

¹ Since 1st Jan., 1904, for 26 weeks: before for 13; Zacher, *Leitfaden der Arbeiterversicherung* (1904).

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as a charity. (4) Almost two-fifths of the cost of this are also *compulsorily* borne by the employers.¹

Of the contributions to both these funds nominally paid by the workpeople, many, in the smaller or more patriarchal businesses, are as a matter of fact paid by the employers.² Disregarding these and fixing our attention on the contributions legally obligatory on the employers, it has been calculated that they are equivalent to the payment of about 2 per cent. additional wages.³ But who can estimate in statistics the physical strength preserved, the homes kept together, the peace of mind promoted by 2 per cent. so spent?

¹The empire contributes 50 marks towards each pension; the rest of the burden is borne by equal contributions from employer and employed. The figures for "Invalidity" insurance contributions for 1902 were: Employers and Employed, each, 69·5 millions of marks; Imperial grant, 37·9. The best recent collection of insurance figures will be found in the *Atlas und Statistik der Arbeitsversicherung* (a supplement to the *Reichs-Arbeitsblatt* for June, 1904). From this is taken the diagram here reproduced.

²Brooks, *Compulsory Insurance in Germany* (1893); U.S. Department of Labor.

³This is based on the calculations of "Factory-Director" Greiszl, *Wirtschaftliche Untersuchungen über die Belastung der deutschen Industrie durch die Arbeiter-Versicherungsgesetzgebung*, in Schmoller's *Jahrbuch*, xxiii., Heft 3 (1899). I have omitted his calculation as to the burden of the accident law, since it may be set off against our own compensation law. Mr. Greiszl's purpose is to show the lightness of the burden, and he speaks of it as "at most" $2\frac{1}{2}$ per cent. Accordingly, I have struck off the half per cent.

One further remark. The argument against a tariff policy based on alleged differences in national well-being is in any case insecure, and, as we have seen, in the case of Great Britain and Germany it is evidently valueless. But those who, in spite of this, continue to rely on such contentions ought in fairness to ask what else a nation may have got in return for its tariff. And in a very real sense Germany can be said to owe its insurance system to its protective system. For, first, it was in a large measure the outcome of that revolt against the doctrine of *laissez faire* among economists and administrators which also led them to favour or acquiesce in a return to protection. As an example, *per contra*, it was the eloquent Professor Brentano, now the leading academic advocate of free trade, who, when compulsory insurance was first mooted, offered the most brilliant opposition to it in the name of liberty.¹ Secondly, and of more practical pertinency, Bismarck was enabled to weaken the opposition of "the industrialists" to what was hardly less than a social revolution only by the more or less concurrent gift of a protective tariff.² Viewed as a whole, Bismarck's commercial and social policy may be characterised in very different ways according to the observer's general political atti-

¹ Schmoller's *Grundriss der allgemeinen Volkswirtschaftslehre*, ii. (1904), p. 363.

² Cf. Schmoller, *Grundriss*, ii., pp. 364, 376.

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tude. It may be argued also that the insurance system could have come in some other way ; or even that the German working man would have been better without it. But there it is ; and historically it has been intimately associated with protection.

Return, however, now to money wages, and recall the fact that the wage paid in a particular occupation need not comprise the whole of the family earnings—need not indeed comprise the whole of the earnings of the male head of the family. At the time of the last great Occupation Census in Germany, in 1895, out of the eight and a quarter millions of persons entered as occupied for their main employment in mining, manufacturing or building, almost a million and a half were stated to have a subsidiary occupation ; and with few exceptions this subsidiary occupation was agricultural. The exact proportions were 18 per cent. in all by-employments, and more than 16 per cent. in agriculture alone. Naturally this happens more frequently in country districts and in small towns than in great cities. Thus, to take the group of metal workers : the percentages also engaged in a secondary employment in (1) great towns, (2) middle-sized towns, (3) small towns, (4) country towns, (5) open country, were respectively (1) 1·77, (2) 5·08, (3) 14·32, (4) 22·68, (5) 35·22. “In the smaller places,” says the official report, “almost all occupations

—whether in industry or trade, as artisans or as day labourers—stand in close relation to agriculture, and people avail themselves of their good opportunity to engage in it as a subsidiary employment.”¹ Almost all of these workpeople, also, as the report points out, when they do engage in agriculture, are “independently” occupied—i.e., they do not pick up a few marks by casual work, but possess a piece of land from which they can secure some regular returns.² For the average artisan in the large cities such possibilities are non-existent; but factories and mills are being more and more, of late years, established in rural districts—as any one will have observed from the windows of his railway carriage who has recently travelled in Germany; so that even for the great staple industries the supplementing of industrial wages from this source is not a thing to be quite neglected by the statistician.

Let us suppose, however, that due allowance has been made for this, and that we have ascertained the

¹ *Die berufliche und soziale Gliederung des Deutschen Volkes, nach der Berufszählung von 1895 (Statistik des Deutschen Reichs, N.F., Bd. 111), p. 131.* The figures will be found on pp. 27, 132, 131.

² “Entfallen die Nebenberufe der industriellen Erwerbsthätigen in besonders hohem Masse auf Landwirthschaft, und zwar namentlich auf Landwirthschaft in selbständige Stellung” (*ibid.*, p. 127).

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total money earnings of the several families. Their significance in relation to well-being will depend largely on how far they can be "made to go"—in other words, on the cost of living. As to this vexed question the statisticians of the Board of Trade very prudently remark that a "bare comparison of the actual cost of living and the amount of food eaten does not *necessarily* result in a picture *entirely* reflecting the comparative comfort of the various peoples".¹ Perhaps if they had tightened up the adverbs a little, fewer writers would since have tried to derive telling morals from the figures they have put together. For, to begin with, the consumption, whether or no it be different in amount, is certainly different in character. "The English² workman consumes more meat than a German workman, whose

¹ *The Fiscal Bluebook*, p. 229.

² This word seems to be used here in the stricter sense, for it is contrasted with Scotch below. It is not clear how far the Board of Trade in its inquiries has averaged English with Scotch and Irish food consumption. Mr. Booth and Mr. Rowntree's budgets, there analysed, are of course taken from London and York. Its own inquiries into working-class consumption (p. 212) have included Dundee and Glasgow with eighteen English towns, but no Irish town. The figures with regard to agricultural labourers concern only *English* labourers. We must take care not to compare an average drawn from England only with an average drawn from the whole of Germany. Scotch and Irish conditions are as much (or as little) pertinent to the suggested argument as English alone—of course in statistical proportion to the population.

custom it is to eat more eggs, vegetables, fruit and farinaceous food. But this fact does not of itself prove that he is living in greater comfort or luxury.”¹

The scientific study of nutrition is in an early stage; but it is beginning to be seen that dietary needs are related to the whole environment. An agricultural people, spending long hours of labour in the fields, can thrive on a diet less easily digestible than would suit a more sedentary town population; and it may be that the explanation of the differences between Germany and England in this respect may, to a considerable extent, be found in the fact that Germany is still a much less industrialised country. The habits of its people, even when engaged in manufactures, are still largely influenced and coloured by rural usage.²

What the workman's wife does buy in Germany she certainly does not pay more for—if anything she pays less for it—than the English workman's wife spends on her purchases. According to the Fiscal Bluebook figures, for instance, she buys more eggs, and usually pays about 2½d. a dozen less for them; she pays about 2d. instead of 4d. for a quart of milk; and she gives a trifle less per pound for her butter. She more

¹ *The Fiscal Bluebook, u.s.*

² See this interesting line of investigation worked out in relation to town and country generally, on the basis of some 490 family budgets in Dr. med. Grotjahn's inquiry, *Über Wandlungen in der Volksernährung*, 1902 (Schmoller's *Forschungen*, xx., Heft 2).

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frequently indulges in pork, and pays somewhat less for it; and when she does purchase beef, which is seldom, she gets that too a trifle more cheaply.¹ Apparently her family will eat more bread,² but it will be usually rye bread, and for this she will rarely pay any more than her English contemporary for wheaten bread; usually she will pay about the same; and in some important industrial districts she will give considerably less.³ Potatoes and vegetables she will buy

¹ These are all the figures furnished us by *The Fiscal Bluebook* (pp. 222-23), except those for *mutton*, which is dearer in Germany and not much used (those for *veal*, which more or less takes its place, are not given); for *sugar*, which was certainly much dearer while the bounty system was practised; and for *rice*, which is given as 4 per cent. dearer. The figures are for 1899-1901 or 1902.

² Consumption per head of population of wheat and rye—United Kingdom, 356 lb. (wheat 350, rye 6); Germany, 525 lb. (rye 325, wheat 200). *Ibid.*, p. 219.

³ The point is vital enough to excuse some further statistics. The only figures given in *The Fiscal Bluebook* are 4½d. and 5d. per 4 lb. of wheaten bread in London, and 5¼d. per 4 lb. of rye bread in Berlin at the beginning of July, 1903 (p. 221). But the average price (as returned by the Co-operative Societies) for Great Britain had been 4·99, 5·12, 5·09 respectively for the years 1900, 1901, 1902 (the last given)—*Report on Prices*, 1903; Board of Trade, No. 321, p. 230—and the range of variation over the country had been relatively small. The Berlin price—according to the tables in the *Statistisches Jahrbuch Deutsche Städte* (1903), p. 424—was in the same years 24 pf. per kilo. for rye bread, which is, as nearly as may be, equivalent to 5·23d. per 4 lb. But there was a wider range of local variation. Prices were higher by 1, 2, 3, even 4·3 pfennigs (1 pf. = 1-10th of

in larger quantities at lower prices.¹ Whatever may be the case over the country generally, there can be no doubt that in particular localities and occupations the greater cheapness of food is sufficiently marked to make up for inferior wages. Thus the expert investigator sent last year to compare conditions in the German glass-making districts with those in England reports that—

The works are usually placed where the cost of living is cheap and taxes very low. This enables the workman to live more cheaply, and, therefore, to enjoy the same amount of comfort, although with lower wages.²

Having got her provisions, it is quite likely that the German housewife will know how to cook them more economically and appetisingly. There is a little

a penny) per kilo. (2·2 lb.) in some towns; they were lower by 1 or 2 pfennigs in some great industrial towns, like Leipzig and Stuttgart. For Lübeck the average, according to the figures there given, was 16 pf., which is equivalent to only 3·48d. per 4 lb. At the great *Konsum-Anstalt* at Essen, which practically controls the prices throughout the town, the average for 1900-1901 (last year given) was as low as 13½ pf., equivalent to 2·84d. per 4 lb. (*Friedrich Krupp, Konsum-Anstalt der Gussstahl-fabrik Essen*; monograph printed for the Düsseldorf Exhibition, 1902, p. 21). Without knowing what quantities are consumed at the several prices, it is impossible to arrive at exactly comparable averages.

¹ In some districts at any rate, according to Dückerhoff (for whom see next paragraph), p. 26.

² Mr. Carder's *Report*, p. 20.

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series of papers by a German miner, Herr Dückershoff, who worked for some time in the north of England, which has been translated into English and been much noticed; and this gives his impressions on this point in the following words:—

English cookery is expensive, because the Englishwoman does not understand preparing food as a German does. For instance, in Germany, peas, beans, lentils, cabbage or carrots are cooked with the meat, and there is a change of vegetable from day to day. The same vegetables as prepared here cost more, and do not taste as nice as good German potato soup. But the German can turn out an appetising meal on less than an Englishwoman needs.

And to this may be added what he says about the more temperate habits of German women, having, of course, conditions in the mining districts of England in his mind:—

Drunkards are as plentiful here as in Germany.¹ Among women they are more numerous. . . . They frequent the taverns just as the men do, and drink until they cannot walk, and their husbands have to take them home. Then follows a row, and the police have to interfere. Tipsy women are as plentiful as tipsy men on Saturday nights. At first sight this disgusts a German, but in time he gets used to it. Taverns

¹ Though apparently the vice is much more expensive. "A drinking bout which would cost two shillings in Germany costs a man ten shillings here." "A greater quantity of spirits, as well as of beer, is drunk in Germany than in England, but less money is squandered upon them, for it costs five shillings to buy the same amount of spirits here as could be purchased in Germany for eightpence" (Dückerhoff, pp. 68, 71).

are so constructed that one may drink without being noticed by the other customers. The numerous pawnshops, too, where everything may be pledged to the very last article, facilitate the habit.

English working women often do not understand how to cook a decent meal, but they do understand how to drink whisky. I have observed things which would be held impossible in Germany.¹

Language like this is much too sweeping to be pressed very hard; but it does suggest that "the standard of comfort" is not determined with any

¹ Dückershoff, *How the English Workman Lives* (King, 1899), pp. 37, 68. Mr. Dückershoff here says so many cheering things about us that it is no wonder his little book has been much quoted; it is referred to almost as a conclusive authority in *The Fiscal Bluebook*, p. 228 *bis*. He tells us that the English miner is much better off, economically as well as politically, than the German; and it is probably true that the position of the German miner is less satisfactory. But although the writer's honesty is perfectly transparent, and his narrative is interesting and indeed touching, it must be remembered that a Socialist who got on the black books of his employers would not be likely to see things at home in quite a dry light. Moreover, the title of the book promises too much: it is really a comparison of mining conditions in Northumberland with those in the lignite districts of Germany, which are probably inferior in some respects to those in the coal districts proper. We ought to be as slow to accept some of the generalisations which please us as we certainly should be to acquiesce in some of his remarks in the other direction. Lancashire and Yorkshire, for instance, would assuredly be up in arms against statements like these: "Female factory hands are *mostly* toppers. The effect upon their morality may be imagined. Married women, when in liquor, solicit" (p. 71).

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certainly even when we know what the expenditure is.¹

¹ The literature on the comparative cost of living is so meagre that it is hardly to be wondered at that some writers should have tried to make capital out of the interesting article by Mrs. Alfred Sidgwick in the *Cornhill Magazine* for July, 1904. The latter part of the article, treating of the working classes, is alone directly pertinent here, and in this the information is apparently mostly at second-hand (see note, p. 87, and top of p. 98). It will be sufficiently, perhaps, dealt with in the course of the subsequent argument. One may, however, express some surprise at the remark that "in Hauptmann's great play, the starving weavers are said to kill a stray dog and eat it when they can". Hauptmann's play is expressly called on the title-page "A play from the '40s"; and in his dedication to his father the author says he has based it on that father's stories of *his* father. Far worse things could be told of our forties than the eating of a stray dog!

The earlier part of Mrs. Sidgwick's article, however, dealing as it does with upper and middle class life, is based on personal observation, and is of different quality. It comes to this, that the money incomes of the middle classes are on a lower scale than in England, but that a family with £500 a year can hold much the same sort of social position as one with £800 in England. They will pay more for some things, like meat, less for others, like wine and tobacco; life will be simpler, with solider furniture and fewer knick-knacks; and amusements, such as theatres and concerts, will be cheaper and "very much more a matter of course"—with the total effect (which I suppose is what we want) that people will "enjoy life more than they could here" (p. 101). I confess that I fail to see an argument here against Protection, though I can easily see how an argument could be made out of it against the Free Trade which, it might be alleged, has made life so much more complex and extravagant in this country.

As to the comparative cost of the clothes worn by working people, we have as yet really no serviceable information.¹ Apparently much the same proportion of the family income goes in clothes. One estimate gives 14·6 as the percentage spent on clothing in the United Kingdom ; and while the same inquiry gives 17·3 as the percentage in Germany, another and more recent one gives it as 13·24.² However that may be, and however they may manage it, the masses of the German people are certainly on the whole at least as well clothed as the English people. The family of the skilled artisan in England is dressed in a way which to our eyes seems more elegant and natty ; but should not this be outweighed by the almost complete absence in Germany of the rags at the other end of the scale ? Serious German observers, with no intention to be offensive to us, are wont to speak of a "proletariat of rags" (*Lumpenproletariat*) as an English phenomenon from which they have so far

¹ *The Fiscal Bluebook*, p. 228, bases the (apparent) conclusion that "there is some difference in favour of the British workman" on the remark of Mr. Dückerhoff that "clothes cost the same as in Germany, except some kinds of working clothes—like 'English leather,' such as masons wear". This may or may not be so ; but it is a curiously exiguous basis for a decision of such importance.

² The first two are compiled by *The Fiscal Bluebook*, pp. 217, 220, on the basis of a *Report by the U.S. Commissioner of Labor*, 1890-91 ; the last by the same *Bluebook*, p. 251, from the budgets in Max May, *Wie der Arbeiter lebt*, 1897.

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been saved.¹ And competent English observers have to allow that there is no little truth in this. I will cite but three :—

(1) An observant German coming to this country is always shocked by the tawdry finery and the unsightly rags of the English lower classes. In Germany every man and woman is neatly shod, and every child is either neat or barefoot. The women make little attempt to copy the fashions of the more prosperous. They are content with plain warm skirts and shapeless jackets and blouses. It is impossible to imagine a greater contrast than a maid-servant or a flourishing artisan's wife in England and Germany on a Sunday afternoon. But the German will go to her situation, or as bride to her husband's home, with a supply of linen and home-knitted stockings that the English woman often lacks.²

(2) The contrast between the dress and the rest of the outward condition of the town populations of German and English towns is also very great. In Germany women in shabby and ragged clothes are very rarely seen ; men in shabby and ragged clothes are seen occasionally, intermixed with the rest of the population ; but such collections of people, badly washed and badly clothed, as are to be seen daily in Manchester in front of the Infirmary, and in every part of the poorer districts in Manchester and all other large English towns are to be seen in no part of any German town.³

(3) I have seen hundreds of men out of work at the labour

¹ *E.g.*, Professor Sering of Berlin in the *Verhandlungen des Vereins für Socialpolitik* (1902), p. 244.

² Mrs. Alfred Sidgwick on "Household Budgets in Germany" in the *Cornhill* for July, 1904, p. 100. See p. 28, note 1, above.

³ T. C. Horsfall, *Improvement of Dwellings: the Example of Germany* (1904), p. 161. The testimony of this observer will be referred to later.

information offices in Berlin and other towns ; they were never dilapidated, but always well clothed.¹

We finally pass to housing, and here the comparison is again one of the utmost difficulty. The character of the accommodation represented by "one room" or by "a cubic foot of space" varies enormously according to the style of house and the crowded or open character of the surroundings even in Great Britain. We sometimes speak as if all our working people lived in small houses and all the Germans in "tenement" houses. But the "tenement," "block" or "flat" system is very generally characteristic of the great Scotch towns ; and it has been making so much headway in London owing to the operations of the Peabody Trust and of semi-philanthropic building companies that Miss Octavia Hill has been compelled to strike a note of caution and alarm. On the other hand, the small house system still preponderates in Lower Germany, in great cities like Düsseldorf, Elberfeld and Barmen, where the barrack-like blocks of Berlin and many other great towns have not yet made their appearance ; and nothing else but the small house is to be seen in the smaller towns of the north-west.²

¹ The writer of the articles on "Conditions in Germany," in *The Times* for 13th October, 1903, quoted by Horsfall.

² See the review of Dr. Eberstadt's *Rheinische Wohnverhältnisse* (1903) in Schmoller's *Jahrbuch*, xxviii., Heft 1 (1904), p. 400.

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That exceedingly bad conditions are to be found in some places in Germany is only too plain; but the same thing is true of England. Much the same must be said of high rents. If "there is evidence that the condition of housing of the working classes is inferior to that which prevails in this country," there is "evidence" also that it is better; and the difficulty is to strike a balance.

It has been suggested that a test of well-being in the matter of housing may be found in "the proportion of income spent in rent".¹ Such a test, to begin

¹ This, as well as the phrase quoted at the end of the previous paragraph, is taken from *The Fiscal Bluebook*, p. 228. The treatment of the subject in the *Memorandum on Cost of Living of the Working Classes* lays itself open to criticism in every particular. The Memorandum presents, among its appendices, elaborate tabulations of (1) the *Reports of the U.S. Commissioner of Labor* (pp. 220, 235, 237), and (2) the budgets in May, *Wie der Arbeiter lebt* (p. 251). The former is then dismissed in the Memorandum itself as "of somewhat doubtful value," with no further explanation. The latter is forced into a form (arranged according to differences of income) totally opposed to Herr May's own contention as to the way in which such material should be treated (in accordance with the difference between great and small towns, town and country, etc.); see his own tabulation at the end of his book. And then no use at all is made of it in the Memorandum! The text of the Memorandum contents itself with a general reference to Dückershoff, and with referring to certain "very high figures" for Germany in a recent popular book, without tracing them to their source, and without discovering that the most impressive among them is absent from

with, is exceedingly difficult to apply. The poorer the class investigated, the harder does it become to ascertain the real income and the real rent. Hitherto, comparatively few records have been obtained of income throughout a whole year—which is the least that can be asked: it may be doubted whether, considering the extent to which rent has to fall into arrears and then be wholly or partially paid off in prosperous times, the inquiry should not cover a much longer period. And when the proportions paid by various families in rent are obtained, it is not quite clear what they should be held to signify. Some statisticians have laid down the general rule that among the working classes the proportion increases with decreasing income (the so-called “Schwabe’s Law”) whatever the size of the family; and this seems borne out by figures:¹ though it is not clear that allowance is always made for the likelihood that such rents will be less regularly collected. On the other hand, some careful recent observers declare that the alleged “proportion” is an altogether factitious and

the table in its original form, which is printed below (p. 35). The details as to this table and its use may be found in a correspondence in *The Times* for the 12th, 15th, and 25th of October, 1904.

¹ For annual incomes below 2,250 marks; according to the figures (from the year 1867) of Dr. Schwabe, then Director of the Statistical Bureau of Berlin; given, among other places, by Trüdinger, *Arbeiterwohnungsfrage* (1888), p. 39.

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unreal thing; that for the poorer classes rent is mainly determined by the size of the family.¹

Assuming, however, that a man who pays a smaller percentage of his income in rent is better off than one who pays a larger; that there is a real average relation between rent and income, and that we can discover what that average relation is; attention must next be called to the generally observed fact that rents are usually lower, not only positively but also relatively, in country districts than in towns and in small towns than in great. This is the point on which the best recent statistical work in this field now lays the greatest stress.² General averages for whole countries which differ widely from one another in the size and relative importance of their towns only obscure the facts which it is our business to discover.

These cautionary remarks are perhaps hardly necessary for our immediate purpose; for now, when we

¹This is the opinion of Mr. W. H. Beveridge, of Toynbee Hall, Whitechapel, who has kindly furnished me with some notes on the subject. On the basis of some figures obtained in connection with the Mansion House Unemployed Fund, Mr. Beveridge has drawn up a correlation table of rents and families, which brings out clearly the close connection, in a certain class, between rents and the number in the family.

²May, *Wie der Arbeiter lebt* (1897), Introduction. Cf. the whole scheme of a useful doctoral dissertation, Ackermann, *Über typische Haushaltungsbudgets*, Barmen, 1900.

come to look into such figures as are at our disposal, it is at once apparent that there is no clear and marked advantage in this matter on the side of either Great Britain or Germany; though, if there be any difference at all, the advantage might seem to be rather on the side of the latter.

The German statistics which rest on the widest range of observed cases are, by this time, rather old. In 1867 it was calculated that in Berlin an income of £45 paid 24·1 per cent. in rent; one of £75, 22·41 per cent.¹ Some years later the percentages for Berlin and four other great cities were:—

Income.	Berlin 1876.	Hamburg			Breslau 1880.	Leipzig 1875.	Dresden 1880.
		1868	1874	1882			
Under £30	—	22·3	24·2	26·5	28·7	29·9	26·8
„ 30-60	24·7	18·8	20·9	23·5	21·0	21·2	18·4
„ 60-90	21·8	19·9	21·1	18·9	20·8	19·7	16·3 ²

On which the Secretary of the Royal Labour Commission remarked: “The poorer classes therefore must

¹ The conclusions of an inquiry by Dr. Schwabe (see above, p. 33, n. 1); given in Trüdinger, p. 39.

² This tabulation is apparently the work of the distinguished municipal statistician, Dr. Neefe, and appears in his collection of housing statistics at the end of the volume on *Wohnungsmoeth*, published by the *Verein für Socialpolitik* in 1886 (*Schriften*, xxx., p. 196).

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pay a house rent equal to about a quarter of their income".¹ 1876, however, as we shall see later, marks the time when things had perhaps got to their worst in Berlin, before the efforts in various directions which have since somewhat improved the situation. Perhaps an improvement is shown by the fact that in 1896 the percentage spent in rent by seven families with incomes between £70 and £80 a year, worked out at 18·4.² And the last investigation, that of 1901, finds that 124 families, with an average income of about £90 a year, spent in rent 17·17 per cent.³ For three artisans living in (unspecified) great towns in 1896 with an average income of about £80, the figures of a careful investigator bring out the percentage 18·3.⁴

Turn now to London. According to evidence accepted as trustworthy by the Royal Commission on Housing in 1885, in certain of the poorest parts of Central London "only 12 per cent. of the poorer population pay less than one-fifth of their weekly wages in rent; 42 per cent. pay from one-fifth to one-fourth;

¹ *Royal Commission on Labour, Foreign Reports, v., Germany*, p. 105.

² The figures have been taken from the book of Dr. Hirschberg (who has since become the Director of the Statistical Office of the City of Berlin), *Die sociale Lage der arbeitenden Klassen in Berlin* (1897), p. 292.

³ *Statistisches Jahrbuch der Stadt Berlin*, xxvii. (1903), p. 269.

⁴ May, *Wie der Arbeiter lebt*, Übersichtstabelle.

46 per cent. pay from one-fourth to a half".¹ In 1889 Mr. Charles Booth gave it as his opinion that in East London rent was "a little more than a fifth in every class". Typical families investigated by him paid 18·7 per cent. of a weekly income of 25s. 2d.; 22·2 per cent. of 23s. 6d.; 24·7 per cent. of 17s. 5d.² At present it is the opinion of a competent observer in the East End of London³ that "a considerable proportion pays one-fifth to one-fourth, and a very small proportion more than one-fourth". The figures (recently obtained by him) of ten families with an average income of 28s. 9d. a week, but all with rather large families, show an expenditure of 24·34 per cent. in rent.

Taking next a great city other than London, Miss Staveley, the Warden of the Women's Settlement in Birmingham, informs me that her conclusion, from some sixty-four carefully studied cases, is that "the average rent is about one-fourth". The figures collected by her work out thus: average weekly income

¹ "Mr. Marchant Williams, Inspector of Schools for the London School Board, has given valuable evidence on the relation of rent to average earnings," etc.; *First Report of H.M. Commissioners for Inquiring into the Housing of the Working Classes* (1885), p. 17.

² Booth, *Life and Labour* (original edition), i., pp. 135, 138.

³ Mr. W. H. Beveridge (see above, p. 34, n. 1). The figures next cited have been obtained by him in connection with the work of the Children's Country Holiday Fund in Whitechapel.

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10s. 9d.—31 per cent. going in rent; income 18s. 9d.—22 per cent.; income 26s.—19 per cent.

For medium-sized German towns, an investigation (unfortunately of very few cases) made in 1896 showed 22·2 per cent. spent on rent out of an annual income of about £32; 15·7 out of an average of £55; 11·9 per cent. of £70.¹ With these may be compared, not to the advantage of the English town, Mr. Rown-tree's widely-based conclusions for York :—

Average weekly income	10s.	Percentage paid in rent	29
" " "	19s.	" " "	18
" " "	23s.	" " "	17
" " "	28s.	" " "	16 ²

That rents have increased greatly in some German towns in recent years is doubtless true; and it will be seen that the dates of the several estimates are unfortunately seldom synchronous enough for exact comparison in point of time. But a similar increase is true of English rents in some places.³

Passing over the cases of small country towns, and of factories placed in the midst of the country—each of which has its own characteristics—we may next take a class whose position is somewhat different from

¹ May, *Wie der Arbeiter lebt*.

² *Poverty* (1902), p. 165.

³ See Sherwell, *Life in West London*, p. 160, and especially the information collected by Mrs. Bosanquet in an article on "People and Houses," in the *Economic Journal*, x. (1900), p. 47. See also the *Report of Joint Select Committee on the Housing of the Working Classes* (1902), qu. 1251.

that of most other workpeople, *viz.*, the coal-miners of the two countries. The only comparative figures that can be adduced, I believe, are those collected by the U.S. Department of Labor in 1888. According to these, the proportion of income paid in rent, for very much the same accommodation measured in number of rooms, was practically the same:—

Number of Cases.	Average number of Rooms.	Total family Income in Marks.	Percentage paid in Rent.
Great Britain 166	3·8	1981	10·4
Germany . 18	3·3	1565	10·5 ¹

But conditions vary enormously as between different mining districts and even between different parts of the same district. Thus around Merthyr in South Wales it seems to be a nearly impossible ideal at present to pay only one-fifth or one-sixth.²

Come, finally, to the country labourer. An average of three German cases observed in 1896—a very small number indeed, though the instances seem to be fairly typical—makes the proportion of income paid in rent as low as 5·7 per cent.³ From a larger number of

¹ These figures are doubtless accessible in many more convenient places. I happen to find them in an article by Dr. Gould, the chief Agent of the inquiry, in Conrad's *Jahrbücher*, Dritte Folge, v. (1893), p. 166.

² See a recent series of articles in the Cardiff *Western Mail*, especially that of 11th June, 1904.

³ May, *Wie der Arbeiter lebt*.

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instances, but some of these of earlier date, another investigator reaches the figure for this class, 6-8 per cent.¹ In England the most general rent for a labourer's cottage seems to be 1s. 6d.; and this, out of average weekly earnings of 16s. 10d., is almost 9 per cent.²

These, I think, are all the comparable data at our disposal at present. The information is seriously insecure in places; and even if quite trustworthy its interpretation, as we have seen above, is by no means free from doubt. Still this is the best we can do; the defects of the evidence are just as likely to tell in favour of one country as of the other. Such as it is, it clearly does not establish a case in favour of England.

The real question for us, however, is what sort of housing the two nations actually manage to secure. Opinions even among careful students of the subject differ considerably, according as they have different localities in their mind. Moreover, there is a certain tendency among reformers to use other countries as sticks to whip their own sluggish nation, and this has told to the praise or dispraise of one or other country as the case may be. Still there are some very striking

¹ Ackermann, *Typische Haushaltungsbudgets*, p. 46.

² The figure for earnings is that of Mr. Wilson Fox, *Report on the Wages and Earnings of Agricultural Labourers* (Board of Trade), 1900. As to rent, see the *Report*, pp. 23, 24.

utterances of high authorities against the alleged superiority of England which deserve to be considered.

At the first general meeting (Städtetag) of German municipal authorities held last September at Dresden, the Oberbürgermeister of that town, Mr. Beutler, a high authority on such matters, expressed himself thus in an address since printed:—

People refer us to the English towns as furnishing an example. There the one-family house is said still to prevail ; and I have heard it said that in the building of cities the flat system was the Spirit of Evil itself !

Pardon me, gentlemen, if I regard such assertions as partly exaggerated, partly unfounded.

As to England, we must realise that there also, of late years, great blocks have been erected in the centres of the great towns ; and the factory towns with their two-storey houses which I myself have seen—Leeds and Manchester—have certainly not produced on me the impression that greater cleanliness or comfort prevailed among the working population, or conditions more favourable to health than are to be found among us. Quite the contrary : our manufacturing towns, Essen, Barmen, Elberfeld, Chemnitz, Glauchau, Meerane and the rest would certainly be preferred by every impartial observer, who had seen not only the outside but also the inside of the dwellings.¹

An attempt is made to hold the balance straight in a remarkable recent work by Mr. T. C. Horsfall, the President of the Manchester Association for the Im-

¹ Adickes und Beutler, *Die sozialen Aufgaben der deutschen Städte* (1903), p. 111.

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provement of the Homes of the People.¹ He agrees with those who hold that the evils of overcrowding exist to a larger extent in Germany than here; and yet the assumption throughout his book is that on the whole the German people are better off in the matter of their habitation. And he explains this paradox in a way that strikes one as probably correct:—

Germany has a far larger proportion than England of dwellings which have wholesome environment but are made unwholesome by the nature of their construction, and by other conditions operating inside the dwellings; and England has a far larger proportion than Germany of workman's dwellings, which, so far as construction is concerned, are potentially wholesome, but which are made unwholesome by the nature of their environment.

“The great difference” in environment he sums up as a difference “in pleasantness,” and this he attributes—with what justice we need not here consider—to greater efficiency of municipal government. Others interested in social reform are also beginning to hold Germany up for our admiration in this regard. Thus Mr. Keir Hardie, M.P., addressing a recent Conference at Merthyr of representatives of labour organisations, called together to consider the housing problem in South Wales, is reported as speaking as follows:—

One power which should be insisted upon by every town and every growing urban district was the right to mark out the plan

¹ *The Improvement of the Dwellings and Surroundings of the People: the Example of Germany.* Manchester, 1904.

that the town or the village should grow in. At present everything was done haphazard. In Germany the authorities corresponding to our councils refused to pass a plan for a house to be built in a district which the town had not marked out and arranged the order of its design. The streets were made and the drain pipes were laid down before the houses were built, and, therefore, they got symmetry, ventilation, proper open spaces, and all the rest of it. (See *Western Mail*, 26th September, 1904.)

Mr. Horsfall's book must be referred to for the various ways in which the "environment" is kept more wholesome, and for the other agencies which favourably affect the habits of the residents. On this last head his language echoes that of Mr. Beutler :—

As might be inferred from the great superiority of the working-class inhabitants of German towns to the inhabitants of that class in English towns in respect of cleanliness of person and of clothing, dirty and neglected dwellings are far less common in German than in English towns. English observers who visit the homes of German workpeople are generally surprised at the high average of orderliness and apparent comfort which they find in them ; and, on the other hand, Germans who visit the homes of English workpeople in the poorer districts of our large towns are surprised to find so many dirty and neglected dwellings, and ask how it is that English workpeople, as a rule, have homes less well-cared for than those of German workpeople.¹

The present position of the housing problem in Germany is a question to which we shall return later. Meanwhile, there is one aspect of it which must be

¹ Pp. 2, 4, 162.

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referred to in supplement to the general observations just quoted. No one who visited the Düsseldorf Exhibition in 1902 can fail to have been struck by the activity which the great "industrialists" in the iron and steel industries of Westphalia have displayed in providing better accommodation for their work-people. They probably felt that, in a sense, they were on trial before public opinion; and their "exhibits" certainly did not err on the side of modesty! Still, the facts are in themselves considerable; and they are hardly less conspicuous in some of the other newer manufactures of whose competition with us we hear so much. I take the following from a report presented in 1901 by Professor Fuchs, who is certainly not over-sympathetic towards the capitalists, and is careful to point out that they are acting in their own interest:—

According to an inquiry made for the Paris Exhibition the total number of dwellings built by the manufacturers up to 1898 was 143,000. That is, if we omit businesses employing less than 5 persons, 18 for every 1,000 German workpeople. In some districts the number is considerably above this average: thus in the administrative district of Oppeln, 106; Arnsberg, 60; Lothringen, 57; Trier, 50; Oberpfalz, 47; Osnabrück, Hanover, Aurich and Stade, 40; Düsseldorf, 36. The number, however, is less significant than the quality; and we must freely recognise that we can reckon up a considerable number of employers in Germany who have built houses that are both models of construction and æsthetically satisfactory. I mention only Krupp, the Baden Aniline and Soda Works, the

Höchst Colour Works, and the United Machine Works of Augsburg and Nuremberg.¹

The dwellings so provided have called forth the warmest expressions of admiration from representative English working men. Thus Mr. Cronin, the Secretary of the Amalgamated Society of Steel and Iron Workers of Scotland, who was a member of the Delegation in 1896 already mentioned, describes the situation at one of the greatest of the steel works in the following terms:—

We met to inspect the dwellings of the workers. We went through what are called the "colonies," and stopped at several of the houses, and inspected the interior arrangements. The great majority of the houses occupied by the men are such as in Scotland are occupied by some of the foremen of iron and steel works, consisting of from four to five and six to seven rooms, with cellar. All the houses have gardens attached, where flowers and vegetables are grown. I have never seen such houses in the working manufacturing districts of either England or Scotland.²

We have now gone through all the topics usually discussed in relation to "the comparative welfare of the working classes" in Germany and Great Britain. We have seen that—putting quite on one side the independent peasantry which simply does not exist in England, and limiting our view to the industrial

¹ *Referat* at the meeting of the *Verein für Socialpolitik* at Munich, *Schriften*, xcvi., p. 32.

² *Report*, p. 55.

population—it will be extremely difficult to arrive at a judgment even when we have got far better statistical material than is yet at our disposal. We have seen that even those large and general conclusions with regard to wages and diet which can be reached require so much interpretation when set in relation to the actual facts of life, that the supposed British superiority tends again and again to fade away. It becomes apparent that in some ways a good case can be made out for German superiority. It is indeed a balance of advantages and disadvantages which does not strike itself but depends on our own philosophy of society. Supposing it to be the case—and there is much which makes it look probable—that England possesses both a higher industrial *elite* and a lower residuum than Germany, who shall say how the one is to weigh against the other?

If we turn now to some of the obvious tests of national “prosperity,” we are struck by the same absence of clear evidence for British superiority. No one of them indeed is conclusive for or against: social causation is too complex for that. Still, taken together, they produce a certain impression. Thus the burden of the public relief of the poor is about twice as great in England as in Germany;¹ but the amount thus spent naturally depends on the wealth that can

¹ According to Schmoller, *Grundriss*, ii., p. 325.

be drawn upon as well as on the needs of the people. The deposits, again, in the savings banks of Great Britain are only about half as large as those in the public institutions of that character in Germany;¹ though the differences in the classes using them and in their place among other forms of saving may possibly be such as to weaken the force of the comparison. I do not, however, know what explanation favourable to England is to be given of the fact that the average longevity of English men and women is less than that of Prussians. Of men and women: for it need hardly be said that the total mortality, including all ages, is larger in Germany—to some extent, no doubt, because the relative number of births is larger.² But those who reach maturity have a better “expectation of life,” as is shown by the following figures of Dr. Ballod, one of the most competent of the younger scientific statisticians:—³

¹ According to Schmoller, *Grundriss*, ii., p. 251.

² 1902, United Kingdom: births, 28; deaths, 16·5 per 1,000. Germany: births, 35·1; deaths, 19·4. *Report of the Registrar-General*, 1902, pp. clxiii.-clxxiii.

³ They are apparently drawn from the years 1894-1897; Ballod, *Die mittlere Lebensdauer* (in Schmoller's *Forschungen*, 1899), pp. 23-26.

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EXPECTATION OF LIFE IN PRUSSIA AND ENGLAND AT DIFFERENT AGES.

	MEN.		WOMEN.	
	Prussia.	England.	Prussia.	England.
20	41·60	40·30	44	42·40
30	33·87	32·52	36·17	34·76
40	26·30	25·42	28·67	27·60
50	19·47	18·82	21·08	20·56
60	13·30	12·88	14	14·10
70	8·22	8·04	8·69	8·77

Leaving all these special lines of inquiry, there is surely some weight to be attached to the general impressions produced by a study of industrial history or by the careful observation of the externals of the life of to-day. In no country have all details of the "Labour Question" been so ardently and minutely studied in a scientific spirit as in Germany. It is worth while, therefore, to observe the way in which probably most German students of industrial history would sum up the case. The following typical passage will be found in a recent popular work by Professor Sombart, of Breslau:—¹

If one wants to be quite accurate one must always add this when one is describing the position of the German workman:

¹ *Die deutsche Volkswirtschaft im Neunzehnten Jahrhundert* (1903), p. 525.

that with us the phenomena of poverty have not made their appearance to the same extent or with the same acuteness as, for example, in England and France. The main reason of this is to be found in the fact that capitalism was later in developing itself, and that therefore the movement of reaction against the exploitation of the workpeople came comparatively speaking earlier here. . . . The portion of the proletariat has in its main lines resembled that elsewhere, though the picture has never been quite so black.

By the side of the economic historian we may not unfairly place the observant traveller. Perhaps I may venture to speak of myself in this connection. I have visited several of the centres of German industry (Berlin, Leipzig, Frankfurt, Chemnitz and others) in recent years; and as the condition of the labouring population has always been among my main preoccupations, I have taken occasion to walk in a leisurely way through the working-class districts. And knowing as I do London and the great English and Scotch cities in much the same way, I could not fail to turn over in my mind various possible lines of comparison. I have asked myself whether the dirt and rags which so much more generally thrust themselves on our notice in England might not cover plumper bodies; and retaining an English bias and not having an opportunity to weigh the bodies and wash off the dirt, I have hesitated to decide. But this I should think all who have shared my experience can say confidently: there is no such evident and striking superiority of outward appearances in

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England as one would expect if behind them were a substantial superiority in popular well-being.

Other observers do not hesitate to go further. The Director of the Zoological Museum in Dresden comes over to examine museums, and, reporting what he saw, remarks in passing concerning a museum in Salford :—

I received a most unfavourable impression. The whole was blackened with soot and very dirty, and, moreover, on the day of my visit, which was a half-holiday, the Museum was full of a sort of people who, happily, are unknown in German Museums, because in our large towns so degenerate a race is not found.¹

Two housing experts—a building inspector and a physician—come over to see what we are doing in the way of providing better houses, and they thus report their impressions :—

In Germany we usually only know that Englishmen attach immense importance to cleanliness. This is true of the better-to-do classes. But it is quite different with the great mass of the working population. One cannot help seeing at once how much less the English workman cares for his clothing and personal appearance than the German workman ; and the women are almost worse than the men. Especially in Scotland, but also in Manchester and Liverpool, and even in many places in London, we have met masses of ragged, barefooted, unwashed and uncombed people, evidently injured by the misuse of alcohol—women as well as men—such as we had never met before in our lives.²

¹ Quoted by Horsfall, p. 20.

² *Über Wohnungspflege in England und Schottland.* Ein Reisebericht von H. Olshausen u. J. J. Reincke (1897), p. 4.

And if these testimonies are to be discounted as those of foreigners, listen to what Mr. Horsfall has to say. Reference has already been made to his valuable monograph, and he speaks "from long acquaintance with English and German towns":—

There is now a very marked contrast between the physical condition of the inhabitants of London and all other large English towns, and those of Berlin and all other large German towns. The German towns contain a much larger proportion of tall, well-developed men and women than do the English towns, and in no large German towns is it possible to find such masses of undersized, ill-developed and sickly-looking people as are to be found in the poorer districts of London, Manchester, Liverpool, Birmingham, and all other large British towns.¹

"In no German town is it possible to find"? If any one has the right to express an opinion on a statement like this, it is surely Canon Barnett of Toynbee Hall. This is how he begins a review:² "This observation of Mr. Horsfall's must have forced itself on the minds of many travellers!"

Let me repeat that, without much further information, I should not myself care to speak so sweepingly. I do not maintain that things are on the whole better in Germany; and, if I did think I could prove it, I should not offhand regard that as conclusive proof of the wisdom of Protection. But before men

¹ *The Improvement of Dwellings: the Example of Germany*, p. 161.

² *The Saturday Westminster Gazette*, 9th July, 1904.

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who desire to weigh their words speak of Germany as furnishing a gross and palpable warning against any "tampering" with our present system, is there not greater need for hesitation than some of them have hitherto recognised?

CHAPTER II.

THE ACTUAL PROGRESS OF GERMANY: THE AGRICULTURAL WORKING CLASSES.

FAR easier than an international comparison is the question of Germany's own experience during the last quarter of a century, and to that we will now address ourselves. As before, we shall confine ourselves to the condition of the body of the people. And let me say at once, in the most emphatic terms possible, that I shall not maintain, I do not even desire to suggest, that all the facts now to be set forth are the *results* of a policy of protection. It will remain open to any one to maintain, as a matter of pure deductive argument, that even more favourable conditions would have resulted from a policy of free trade. He may argue, as some economists have been wont to do in other cases, that such progress as may have taken place has been brought about in spite of, and not in consequence of, protection. If I entered into that discussion at all, I should myself want to distinguish between this and that measure under these and those circumstances. To approve of all that calls itself Protection is just as uncritical as to approve of all

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that invokes the principle of Freedom. My primary concern, however, here and now, is simply to establish the facts.

A quarter of a century is the period indicated for our review, by the circumstance that it was in 1879 that Germany embarked on the policy she has since pursued with modifications from time to time; and it is sufficiently long for general tendencies, if they exist, to make themselves apparent. But, before setting about this review, some little explanation is necessary with regard to the date of the several stages in the history of the matter.

In the first half of the nineteenth century Germany preceded, and set an example to, Great Britain in its advance towards greater commercial freedom. The Prussian tariff of 1818 was much lower than that of England, and was held up by Huskisson to the admiration of his countrymen; while some important states, like Saxony and Baden, had a system which nearly approached complete liberty. When the Zollverein was formed (1834 onwards), a series followed of compromises and modifications; and, under the influence of List's agitation, the duties were raised on cotton and iron goods. But Prussia remained the champion in the counsels of the Union of a relatively free-trade policy, because, among other reasons, her squirearchy was anxious to maintain its export of grain to England. Great Britain, it must be remembered, by no

means went over to complete free trade in manufactures when it determined upon abolishing the protection of domestic corn. Even the great measure of 1853 left a duty of 10 per cent. on manufactures, and the last remnants of protection did not disappear till 1860. Germany therefore—which had preceded England in moderating its protection—lagged but little behind her in going over to a practically complete free trade. For in 1862 Prussia, following the example of Cobden's negotiations, entered into a treaty of reciprocity with France, which by 1865 it managed to induce the smaller States of the Zollverein to accept; and in that year all the agricultural duties were repealed together with some others. By a series of other measures the remaining duties were removed or reduced; until finally in 1875 it was enacted that the last considerable remnant of protection, the moderate iron duties, should cease in 1877. 1875 represents the high-water mark of the free-trade movement in Germany.

Only four years later, *i.e.*, 1879, Germany suddenly reversed her policy, and imposed protective duties on both agricultural produce and on manufactured goods. Since then the stages in the further development of that policy have been as follows. (1) A great increase—a trebling indeed on rye and wheat—of the agricultural duties in 1885. This was of course due to the alarm produced by the competition of the corn of

the new countries, the United States, Argentina, and (in a sense) Russia. It may be recalled that it was in 1884-85 that the great permanent drop took place in the price of wheat in England. (2) The period of commercial treaties negotiated by the Chancellor Caprivi with Austria-Hungary, Italy, Switzerland and Belgium (1892), with Roumania (1893), and, most important of all, with Russia (1894)—so arranged as all to last till 1903-4. The last treaty secured, among other things, a reduction of Russian duties on German manufactures in return for a lowering of the tariff barrier against Russian rye. (3) Caprivi's policy, which was justified on the ground of the greater stability it gave to trade, met with the keenest opposition from the "Agrarians" or representatives of the agricultural interests, with the result that in 1902 a new tariff was enacted, mainly at the instance of the Agrarians, which has considerably raised the minimum duties on the basis of which it will be possible to negotiate any other series of commercial treaties.

For such a summary review of the condition of the great body of the people during the years 1879-1904 as I purpose to attempt, it will be necessary to take the period as a whole. No sort of judgment can be expressed as to its various phases: as to whether, for instance, the Caprivi policy was a wise one, or whether the Agrarians had sufficient reason for attacking and finally upsetting it, and certainly not as to whether

this or that interest may not have got, at one time or another, a relatively unfair advantage. Unless one can give careful attention to all the details, discussions like these are best left to German economists conversant with the circumstances.¹ It may be pointed out, however, that with the exception of a few writers, the discussion in Germany is not, as we are wont to raise it in England, one between absolute Free Trade and absolute Protectionism. It is rather a question of more or less protection. Thus the German economists whose calculations as to the incidence of corn duties are relied upon by English free-trade writers, will often be found to be supporters of the duties existing in 1902, though opposed to their increase.²

The same abstinence from criticism on my part will prevent my commenting on the fluctuations, or the

¹ Much the best account of the whole tariff history of modern times is to be found in the second volume, which has just appeared, of Professor Gustav Schmoller's *Grundriss* (1904), pp. 570-652. It may not have said the last word about some parts of the subject, but for width of knowledge, secure grasp of a vast material, and a seldom failing sense of proportion, it is a masterpiece. It is a splendid justification of the "historical method" of which its author has been the leading champion; not that it gives us ultimate truth, but because it gives us a more living sense of the complexity of historical movement, and a more patient and tolerant spirit in setting about our further inquiries.

² See below, p. 73, as to the instructive case of Professor Conrad.

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unequal movement, in wages and the like, to be seen *within* the quarter of a century. They may, if they can reasonably be connected with the tariff at all, indicate that at this or that point of time, there was too much or too little protection, or protection badly distributed. We must content ourselves with the general trend of things over a period within which quite considerable changes took place in public policy.

Yet there is one consideration which must not be quite left out of account. During this period, as before, there were large forces at work affecting general prosperity, which had nothing directly to do with the customs' measures of any particular country. There are waves of depression—recovery—prosperity—over-confidence—depression, sweeping over all the great commercial countries of the world (delayed or hastened, it may be, here or there, but ultimately reaching all), which apparently visit free-trading and protectionist countries alike with chill impartiality. So regularly recurrent are these waves—marked usually in their trough by what is known as a "crisis"—that one of the greatest of modern economists has been inclined to attribute them to some natural force outside humanity. Jevons thought that "commercial crises are connected with a periodic variation of weather, probably arising from increased waves of heat received from the sun at average intervals of

ten years and a fraction".¹ This is perhaps too simple an explanation; it is referred to only as showing the universality and roughly contemporaneous character of the phenomenon.

It is easy to illustrate this from the trade of Great Britain and Germany. Draw on the same chart a line to show the varying value of British exports in recent years and another to show that of German, and it will readily be seen by the eye that the ups and downs of the one line are reproduced substantially by the other—except that the English waves are bigger (with higher elevations or deeper depressions, as one cares to put it) than the German. Out of a like depression in the late seventies they both rise to 1882 and 1883, then both fall together in 1885, recover themselves by 1890, and then both enter on the long depression of the early nineties to recover themselves in the concluding years of the century.² It follows from this that, as a rule, no conclusion as to the effect of a particular policy can be drawn from the events of any particular year. Before we can venture on such a conclusion we must know how each country stands in relation to the world-wide oscillation. If, then, I am compelled to give crude sequences of figures, I

¹ *Primer of Political Economy* (1878), p. 120.

² The charts (Series A, 3 and 5) in *The Fiscal Bluebook* lend themselves conveniently to the comparison since they are drawn on the same scale.

must not be understood as pressing any one of them very hard, or as ignorant of the need of interpreting each of them by a wide range of considerations.

It would be quite unfair to begin our survey with the year 1879 without laying stress upon the need for caution. Whatever special grounds the manufacturing and agricultural interests may have had for their demand for protection, 1878 represents the bottom of a wave of depression which began in 1873 and affected the whole world.¹ Neither the low wages just before protection nor the higher wages soon after can therefore be credited altogether to the change of policy; and, wherever it seems desirable and possible, sufficient figures will be given for an earlier time to allow of comparison. But the same caution must be applied all round; and neither the dullness of trade in Germany, as elsewhere, in the early nineties nor again the grave depression of 1901-2 must be adduced offhand as a proof of the failure of protection.

We begin with the agricultural side of German life because it is the side most commonly neglected in English discussions of the subject. We have already seen that Germany is a land of peasant proprietors.

¹ See its history in Herkner's article in the *Handwörterbuch der Staatswissenschaften*, v., p. 429. The complaints of commercial over-confidence in Germany in this free-trade era are curiously reproduced by the like complaints in the protectionist period 1899-1901.

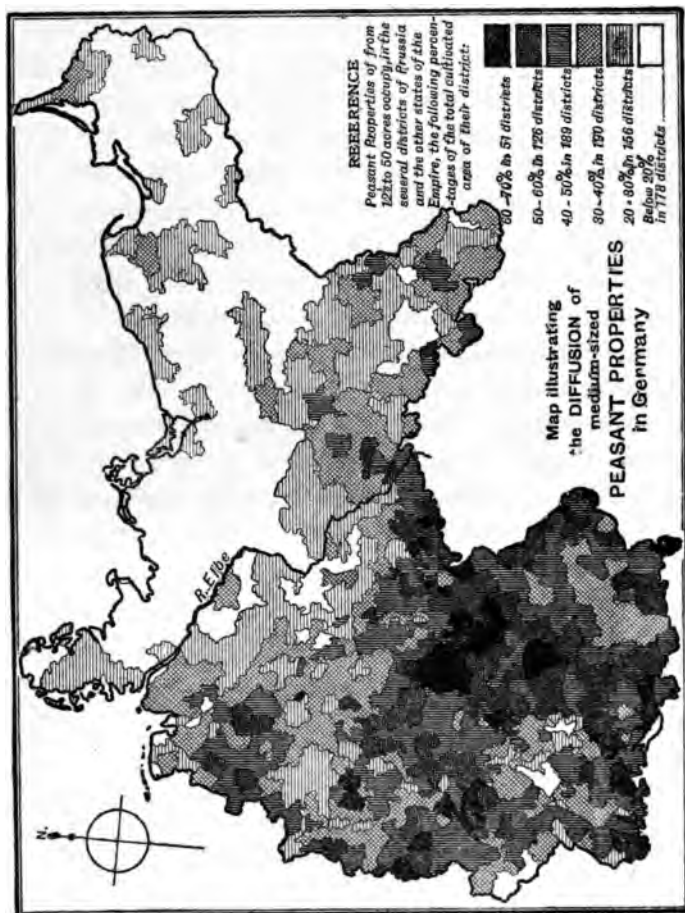
So much is heard of the great landlords of the country east of the Elbe that their relative importance is often grossly exaggerated. As we have seen, according to the last statistics, those of 1895, the farms (*Betriebe*) between 2 and 100 hectares¹ occupy more than 70 per cent. of the agricultural area of the country. But though we speak of peasant *farms*—for it is under this classification that the most reliable *data* come to us—it is really with peasant *properties* that we have to do; for 89 per cent. of the land tilled by peasants is actually owned by them.² Even in Eastern Germany, where relatively large estates prevail, 56 per cent. of the cultivated area is owned by peasants.³ These peasants cannot properly be omitted in a consideration of “the working classes”. Whether we agree with Goldsmith that a peasantry should be “their

¹ A hectare = nearly 2½ acres (more exactly, 2·471 acres).

² The exact figures are these. Of the 3,285,984 hectares occupied by “small” peasants (with from 2 to 5 hectares each), 81·23 per cent. was owned by the cultivators. Of the 9,721,875 hectares occupied by “middling” peasants (with 5 to 20 hectares each) 90·55 per cent. was owned by the cultivators. Of the 9,869,837 hectares occupied by “big” peasants (with 20 to 100 hectares each) 91·98 per cent. was owned by the cultivators. See the census volume on agriculture, *Die Landwirthschaft im Deutschen Reich* (*Statistik des Deutschen Reichs*, N.F., Band 112), p. 16*.

³ Sering in *Schriften des Vereins für Socialpolitik*, xcvi., p. 240. The figures for the several States are conveniently collected in Wagner, *Agrar- und Industrie-staat*, 128 n.

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country's pride," and regret like him that "when once destroyed" it "can never be supplied," or whether we regard their disappearance with equanimity, we have to allow that, while they exist, they form at least one of the most important of the labouring classes. To show the part the peasant plays in German life, I have here reproduced in a simpler form one of the maps in the agricultural volume of the last Occupation Census. It shows the proportion of the agricultural land occupied—and to the extent of more than nine-tenths *owned*—by the central class of "middling" peasants.¹

Now in the last two or three decades a remarkable thing has taken place in Germany in regard to these peasants. Two Occupation Censuses were taken, in 1882 and 1895, and these showed that a movement was taking place which was one of the most important that could possibly manifest itself. The figures are given on p. 64.

The quite unexpected result of these censuses was thus to show that during the thirteen years, 1882-95, the peasant farms between 2 and 20 hectares (5 to 50 acres)—and let me repeat that this is substantially identical with peasant properties—had come to occupy both a larger amount and a larger proportion

¹ To realise completely the place of the peasant, this should be compared with the other maps in the same volume for the small and big peasants respectively.

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INCREASE IN PEASANT FARMS IN GERMANY BETWEEN 1882 AND 1895.¹

Size of Farms (Betriebe) in hectares (h. = 2·471 acres).	Area under Cultivation.		Increase (+) or Decrease (-).	Percentage of the Total Area under Cultivation.		Increase (+) or Decrease (-).
	1895.			1895.		
	1882.			1882.		
Under 2	1,825,938	1,808,444	- 17,494	5·73	5·56	- 0·17
2— 5	3,190,203	3,285,984	+ 95,781	10·01	10·11	+ 0·10
5— 10	3,906,947	4,233,656	+ 326,709	12·26	13·02	+ 0·76
10— 20	5,251,451	5,488,219	+ 236,768	16·48	16·88	+ 0·40
20— 50	7,176,129	7,113,231	- 62,898	22·52	21·87	- 0·65
50— 100	2,732,041	2,756,606	+ 24,565	8·57	8·48	- 0·09
100— 200	1,521,191	1,545,245	+ 24,054	4·77	4·75	- 0·02
200— 500	3,159,900	3,079,014	- 80,886	9·92	9·47	- 0·45
500—1000	2,397,071	2,405,427	+ 8,356	7·52	7·40	- 0·12
1000 and over	708,101	802,115	+ 94,014	2·22	2·46	+ 0·24

¹ Taken from the table, p. 11*, in *Die Landwirtschaft im Deutschen Reich*, bearbeitet in K. Stat. Amt. (1898).

of the area under cultivation. They actually occupied 659,258 hectares more land (considerably more than 1,500,000 acres); and the proportion of the cultivated land of Germany held by this class had grown 1.26 per cent. At the same time the petty holdings (*Parzellenbetriebe*) under two hectares had slightly fallen off in total area and proportion; while, what is more important, all the larger holdings, save the very largest, had considerably fallen off (1.33 per cent.), and the great estates had grown only slightly. There are no later figures, but there is no reason to suppose that the tendencies here marked have since been counteracted; and in current discussion in Germany it is commonly assumed that they are still at work. They had displayed themselves not in one district only but pretty generally throughout the empire. "The increase of the farms from 2 to 5 hectares took place in almost all the Prussian provinces, and also very markedly in the Black Forest and around Carlsruhe; the increase of those from 5 to 20 was seen throughout Prussia, Bavaria, Saxony, Württemberg and Alsace-Lorraine."¹

Now what is this class of owners of from 5 to 50 acres? I take the description from a Socialist writer who is also a high authority on agrarian questions,

¹ *Die Landwirtschaft im Deutschen Reich*, bearbeitet in K. Stat. Amt. (1898), p. 15*, where all the exceptions, etc., may be found.

Dr. David, to whose massive book I shall shortly return : "The peasant properties which are making this headway are precisely those which are big enough, and not too big, to completely occupy and maintain a family".¹

The significance of such a fact can best be gauged by the effect it is having on the tactics of the Socialist party, which is now the largest numerically of all the political parties of the empire. Until recently it has remained under the domination of the teaching of Karl Marx, alike as to industry and as to agriculture. It was believed that, in both, the large undertakings were bound to swallow up the small ; that, accordingly, the peasants should not be encouraged to suppose that they could permanently maintain themselves on the soil ; that, on the contrary, it must be pointed out to them that they were doomed to go under, and therefore that they ought to make common cause with the urban proletariat. How far the Marxists have been right as to workmen in industry this is not the place to consider ; as to the peasants, the *slow* rate at which they were being swallowed up had already become

¹ The description is vital enough to be quoted in the original : "Danach sind also gerade die Betriebe der bäuerlichen Selbstwirthschafter in Vormarsch begriffen, d. h. die Betriebe, die gross genug und nicht grösser sind, als nötig ist, um einer Bauernfamilie volle Arbeit und Existenz zu gewähren". *Sozialismus und Landwirtschaft*, vol. i. (1903), p. 49.

embarrassing to propagandists. The party had practically won the cities, and the next necessary step was to convert the peasants. This was the state of affairs when the results of the Occupation Census of 1895 appeared. It was at once obvious to the younger men in the party that with such figures before them it was absurd to approach the peasants with the old Marxist teaching. They must accept the fact that a peasant class was going to survive as a very considerable element of the nation; and they must somehow reconcile this necessary assumption with a practical "Socialist" programme. This is the task on which the ablest of the "Revisionists" are engaged, the task to which is devoted the substantial and exceedingly thorough treatise of Dr. Edouard David already quoted.

Into the vexed question of the merits and demerits of a peasant proprietary I do not propose to enter. It is surely unnecessary to say that the older generation of English free traders would have welcomed such a result with delight, if it could possibly have been brought about in this country. Mill, their master, as every one knows, devoted two long chapters of his great treatise to the subject, and conceived it to be "established that no other existing state of agricultural economy has so beneficial an effect on the industry, the intelligence, the frugality and prudence of the population, nor, therefore, is on the whole so favour-

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able both to their moral and their physical welfare".¹

For Germany, at any rate, as things are—while on the one side, the world is still so far from a "solution" of "the labour problem" either in manufactures or on great estates, and on the other side, the adaptability of the great estates to the conditions created by over-sea competition in food supplies is still so doubtful—most thoughtful observers regard the growth of the independent peasantry as a relatively satisfactory development. Without further argument, I shall henceforth put myself on their side, and assume that the facts that we have witnessed constitute a real "progress". We may observe in passing that while Germany thus came out of the acutest period of agricultural depression with an actual growth of its independent peasantry, the scanty remnants of a like class in England were exposed to the unmitigated pressure of American competition, and were to a large extent wiped out of existence.²

¹ Mill, *Principles*, bk. ii., ch. vii., § 5. Cf. Stephen, *Life of Fawcett*, p. 165.

² See *Final Report of the Royal Commission on Agriculture* (1898), pp. 31-33, for the "yeomen" of the eastern countries, the "statesmen" of Cumberland, the small freeholders of Axholme, etc. Passages like the following from the Lincolnshire evidence (*ibid.*, p. 358) help us to realise what our English peasants were going through: "One of these small freeholders says: 'I have brought up a family and nearly worked them to

The German progress has taken place during a time first of moderate protection of manufactures as well as of agriculture (till 1885), then of a much heightened agricultural tariff (till 1892-94), and then again of a slight lowering of those tariffs in relation to certain states, especially Russia. If we suppose, following the ordinary lines of free-trade argument, that the duties on manufactures added to their price, it would follow that the disadvantage to the peasants, so far as they were purchasers of manufactured goods, must have been more than counterbalanced by other and favourable influences. A question most hotly discussed in Germany has naturally been whether among these favourable influences were the agricultural duties, and especially the duty on corn. The tendency on the side opposed to corn duties has been to minimise their beneficial effect on the peasants, to treat them as benefiting solely the squirearchy (*Junkerthum*) of the districts east of the Elbe, and to attribute the improvement in the condition of the peasants to their

death. They said, "Father, we are not going to stop here and be worked to death for nothing," so they went off into shops and left me and the old woman to struggle along.'

"Another: 'I and my three boys, the eldest 18, work the land, and my wife and daughter when wanted. We have been working 18 hours a day for several days, and average 10 to 12 during the year. I have been here 20 years, and have just been scraping along. Last year we lost money. We eat very little fresh meat.'"

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having sensibly turned their attention to a more paying pastoral farming. The patent fact that almost everywhere the peasants of the west and southwest have made common cause with the large proprietors of the east, and are equally ardent members of the Agrarian party, shows only, in this view of things, how successfully the Agrarian agitators have managed to throw dust in their eyes.¹ There is already quite a "literature" on this subject, full of the most complicated farming accounts for estates of every sort of size; and it would be presumptuous for one who is not an agricultural expert to profess to have an opinion on the subject. It seems indeed clear that the balance of expert agricultural opinion is overwhelmingly on the side of the Agrarians in this particular. As long ago as 1885, Dr. Kühn, of Halle, who is generally regarded as the highest scientific authority in agricultural matters,² expressed the opinion that as a rule as soon as they came to farm as much as two hectares (five acres) of land, the peasants were interested in high prices for cereals. More lately Dr. Stumpfe has made a very detailed investigation of the farm accounts of some hundreds of small properties, to see how far their sales of corn might be

¹ Hereon see Wagner, *Agrarstaat*, p. 115, and the interesting reference to personal experience in note 2.

² Conrad, whose general sympathies are on the other side, calls him "the highest authority on agricultural subjects".

offset by their necessary purchases of grain and flour. It had been alleged that in the case of small properties the peasants had usually more interest in buying cheaply than in selling dearly. His conclusions may be thus summarised :—

PERCENTAGE OF PEASANTS "POSITIVELY INTERESTED" IN THE
PRICE OF GRAIN.

1½-2 hectares	66
2-3 „	87
3-4 „	95
4-6 „	98
6-8 „	93
8-10 „	100

If we may rely on these conclusions, which seem to be drawn from a wide and fairly chosen range of facts, the overwhelmingly larger number even of the peasants farming less than twenty-five acres were effected by the corn duties.¹ A more recent investigation, conducted by the scientific leader of the Agrarians, Dr. Dade, has sought to show, in further particularity, at just what price it will pay those farming from one hectare upward to bring their rye or wheat to market.² Unfortunately all these figures as coming from the

¹ Emil Stumpfe, *Der kleine Grundbesitz* (in Professor von Miaskowski's series of *Beiträge*), 1897, pp. 75-80. I have omitted the decimals, and otherwise interpreted the results in the sense most favourable to the anti-corn law contention.

² The conclusions, with the last large instalment of statistical material supporting them, are given in *Nachrichten vom Deutschen Landwirthschaftsrath* (1901), No. 5.

enemy are "suspect" to the anti-corn law writers.¹ A safe middle position to take, wherein we shall be in excellent company, may be formulated thus: (1) the peasants, whose farming is generally of a more mixed character, are usually less *directly* interested in the prices of corn than the greater landowners of the east, who are unable from the nature of the climate, etc., to turn to pasturage; (2) that, nevertheless, the great majority of independent peasants have some direct interest in corn prices, an interest increasing with the size of their farms; (3) that they have also, more or less, an indirect interest, inasmuch as a great fall in the price of grain would probably lead to such an extension of the cultivation of other crops like beets, tobacco and hops, as to seriously affect their prices also.²

¹The most important scientific discussions of the subject seem to be, on the one side, the anonymous *Der deutsche Bauer und die Getreidezölle* (1902), and the writings of Professor Conrad (see p. 74, n. 1 below); and, on the other, besides the technical arguments of Kühn, Stumpfe and Dade, the briefer general reviews of Sering in *Schriften des Vereins f. Socialpolitik*, xcvi., pp. 238-47; Pohle, *Deutschland auf Scheidewege*, pp. 186-93; Wagner, *Agrarstaat*, pp. 114-16—all appearing in 1902.

²*Cf.* the sentence of the late Dr. Buchenberger, the author of the best-known treatise on "Agrarpolitik," with regard to this point, quoted by Pohle, p. 193: "Thus one can say that the smallest farm, though it brings little or no corn to the market, and therefore appears to have little or no direct interest in the price of corn, has at least an indirect interest in its maintenance".

Let me, however, take this opportunity to call attention to the attitude of Professor Conrad in this matter; for it illustrates the curiously different position most of the German economists of any reputation take up in relation to a topic of this kind from that hitherto of most English economists. Professor Conrad, the editor of one of the leading scientific economic periodicals in the empire, and editor of that *Corpus Economicum*, the great *Handwörterbuch*, has long been known for his elaborate statistical inquiries into corn prices. In the discussions of the years 1900-3, he was certainly the best known and the most respected among the academic opponents of the Agrarian demand for higher duties. His were the most solid figures as to the effect of duties on prices; and they have come to be widely quoted in England in spite of the vital differences between the English and the German situation. Most Englishmen who come across his name in this connection have probably jumped to the conclusion that he was "a free trader". Not at all. He has been opposed to the increase of the duties; but he has stated repeatedly (1) that a large conversion of German soil from tillage to pasturage is physically impossible;¹ (2) that therefore the duties

¹ Quoting, *e.g.*, Kühn, who "mit vollem Recht hat schon 1896 nachgewiesen dass die deutsche Landwirthschaft auf Getreidebau angewiesen ist, zwei Drittel des Ackers davon occupiert sind und auch bleiben müssen".

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existing in 1900 could not be safely removed; and (3) that higher duties are desirable on live beasts, butter and cheese!¹ This is perhaps an excursion beyond our immediate theme; as to that it may be noted that, even according to Conrad, the corn duties affected the owner of ten hectares and upward.²

Characteristic of Germany, however, as the peasant class is, and especially the central body of small owners, that country is not without its "agricultural labourer" question in the English sense of the term. The agricultural labourers, indeed, of Germany may be reckoned as about five times as many as the more or less similar class in Great Britain—about five millions and a quarter as compared with about one million;³ and, though the number has been slightly

¹ Conrad in *Beiträge zur neuesten Handelspolitik Deutschlands* (*Schriften des Vereins f. S. P.*, xc. (1902), p. 184), and in the article in his own *Jahrbücher für Nationalökonomie* (1902), Heft 2.

² Professor Conrad's opinion may be noted on one other point. Undoubtedly, during the period of depression, there was a great increase in the burden of agricultural mortgages. But Professor Conrad points out that, so far as we can judge from the evidence, the increase in the purely peasant proprietor districts was quite small (*Beiträge*, p. 145).

³ The German figures from the Occupation Census of 1895 are 5,445,924. I reckon the British figures of 1891 (according to the data put together by Mr. Wilson Fox in *Report on the Wages of Agricultural Labourers* [1900, Cd. 346]), as about 1,156,298. The figures for the 1901 census for Scotland and Ireland are not at my disposal; but in England and Wales alone the number decreased between 1891 and 1901 by 138,894.

declining of late, it is not dwindling with the rapidity of their English contemporaries. The position of the agricultural labouring class is therefore a question of the utmost importance to Germany; and it must be regarded as a momentous fact that its condition has beyond question greatly improved during the last few decades. According to the best testimony, the progress in well-being has been universally diffused among the agricultural population.

Whoever has watched with open eyes the condition of affairs in the country districts, cannot doubt that there has not only been a steady advance in methods but that the general well-being has risen in an extraordinary degree. This is not only true of the eastern provinces which were later in their civilisation, it is true of the rest of Germany. . . . How entirely different is the housing, clothing and diet both of the peasant and of the country labourer in the whole north-east of Germany from what it was fifty years ago.¹

Into the details of this improvement, so far as it concerns the labourers, it is impossible to go far, on account of the astonishing variety of circumstances to be found in the different parts of the empire. The situation is very different in the eastern provinces (where agricultural labourers occupy a position more like that of our labourers, except that they are employed by the owners of estates and not by tenant farmers) from what it is in the southern and central parts (where the employers are the wealthier peasants)

¹ Conrad, in *Beiträge* (1900), p. 131.

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and in the parts farther west (where almost all the land is in the hands of small peasants who seldom employ labour outside their own families). The position of the permanent farm servants is very different from that of the labourers engaged by the day or by the job; and it makes a vast difference to these latter whether they have a bit of land to fall back on (as one out of four have in Bavaria, one out of three in Württemberg, one out of two in Hesse), or are altogether dependent on their wages (only one in thirteen having any land in East Prussia). Then, again, there is a wide variation in the supplementary allowances or payments in kind. The rise in wages, therefore, which, "thank God, has been very considerable in the last decades," as Professor Conrad exclaims,¹ only very roughly indicates the improvement actually achieved. Still it is the only statistical evidence at our disposal, and it will be worth while to give a few wage figures.

I.—AGRICULTURAL WAGES IN THE EASTERN PROVINCES OF PRUSSIA PER WEEK.

1849	-	3	to	4.2	marks	=	about	30	kilos	of	rye.
1873	-	4.8	to	7.2	"	=	"	45.6	"	"	"
1892	-	7	to	9	"	=	"	60	"	"	"

This is valuable as showing the improvement in the most backward parts of the country, and as making it

¹ In his *Jahrbücher* (1902), p. 171.

clear that it was no mere nominal increase of wages counterbalanced by a rise in prices. The purchasing power is estimated in rye, the common cereal food of the country.¹

II.—A DAY'S WAGE IN SUMMER IN 1873 AND 1892.

	No. of Labourers in 1895.	1873. Marks.	1892. Marks.	Percentage Increase or Decrease.
Silesia	211,124	·90	1·60	+ 77
East Prussia . .	157,712	1·14	1·50	+ 31
Pr. Saxony . . .	151,863	1·46	1·83	+ 25
Brandenburg . .	145,014	1·65	1·73	+ 5
West Prussia . .	131,445	1·60	1·80	+ 12
Bavaria	130,391	1·55	1·60	+ 3
Pomerania . . .	125,932	1·62	1·83	+ 13
Mecklenburg . .	73,395	1·60	1·88	+ 17
Hanover	71,230	1·72	1·70	- 1
Rhineland . . .	67,277	1·78	2·00	+ 12
Kg. Saxony . . .	42,445	1·61	2·30	+ 43
Hesse-Nassau . .	42,263	1·61	1·89	+ 11
Westphalia . . .	32,253	1·72	1·86	+ 8
Wurtemberg . . .	30,806	1·86	2·05	+ 10
Hesse	27,916	1·49	1·80	+ 20
Baden	25,148	1·84	2·14	+ 16
Brunswick . . .	21,358	1·55	1·90	+ 29
Anhalt	17,556	1·25	1·90	+ 52 ²

¹ The comparison has been drawn up by Professor Schmoller (*Grundriss*, ii., p. 296) on the basis of the Agricultural Inquiries of 1849, 1873, and 1892.

² From a table given in Dr. Steinbrück's article, "Die deutsche Landwirtschaft," in the *Handbuch der Wirtschaftskunde Deutschlands* (1902), ii., p. 41, based, I presume, on the inquiries of the *Kongress deutsche Landwirthe* in 1873 and of the

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The marked variations even between adjoining provinces show that these figures can only roughly correspond to the facts. Still they show a rise everywhere except in the province of Hanover, a rise which in the case of the provinces containing the great majority of labourers will be seen to have been quite 25 per cent. The table also illustrates the higher range of wages in the western parts of the empire.

Both these sets of figures are now ten years old. It is the general impression among those who have interested themselves in the question that the rise in wages has gone on with even greater rapidity during the last decade. One recent statistician makes the further increase also 25 per cent.¹ The only figures I am able to present are some taken from the officially recognised "day wages customary in the neighbourhood" (*Ortsübliche Tägeloehne*), which have had to be ascertained since 1884 for the carrying out of the system of sick insurance introduced in 1883.

Verein für Socialpolitik in 1892. I have put the number of the labourers in 1895 to show the relative importance of the figures. The wage figures for the Thuringian States (40,715) and Schleswig-Holstein (45,749) are not accessible for 1873; and I have omitted Alsace-Lorraine as being exceptionally situated in 1873, as well as three or four small States with less than 10,000 labourers.

¹ Steinbrück, *u.s.*, p. 40.

III.—LOWEST LOCAL DAY WAGES IN 1884, AND SUBSEQUENT RISE.

	1884. Marks.	1898. Marks.	1904. Marks.
Schildberg (a <i>Kreis</i> in the <i>Regierungsbezirk</i> , Posen)	·75	1·05	1·50
Militsch (a <i>Kreis</i> in the <i>Reg. Bez.</i> , Breslau)	—	·85	1·10
Frankenstein (a <i>Kreis</i> in the same <i>Reg. Bez.</i>)	—	·90	1·15
Oelsnitz (an <i>Amtshauptmannschaft</i> in the <i>Kreis-hauptmannschaft</i> , Zwickau), the lowest in Saxony	1·00	1·20	1·50 ¹

But, indeed, figures are not necessary to prove what is a matter of common knowledge in Germany—that the wages of agricultural labour have very greatly increased. Evidently it is in the main the result of that “scarcity of labour” which is complained of all over the country by large peasant farmers and great proprietors alike; and therefore it may be said that it cannot be the direct result of the maintenance of prices by the agricultural tariff. But, putting on one side the question whether it would have been even possible for farmers to pay the higher wages

¹ The comparison between 1884 and 1898 is drawn by the veteran statistician Dr. Viktor Böhmert in the *Handwörterbuch der Staatswissenschaften*. I have carried the comparison further and added the figures for 1904 from Götze-Schindler, *Jahrbuch der Arbeiterversicherung*, 1904.

unless agricultural prices had been maintained, it is to be observed that the attraction, which has drawn away from agriculture the labourers of the south and west, and thus has created a demand for labour there which has been answered by a great migration of labour from beyond the Elbe, is precisely that astounding development of manufacturing activity which free traders often describe as the hot-house product of the contemporary industrial protection. On the other hand, the rush to the manufacturing districts of the west would almost certainly have been far greater—so great as to check the rise of industrial wages which has also taken place—had grain-raising in the eastern provinces and elsewhere been sacrificed to the extent to which wheat-growing has been sacrificed in England by a free-trade policy. There could hardly be a better example of the impossibility of shutting up the various elements of a nation's life in water-tight compartments with no connection with one another.

But the agricultural movements of the present day are too complex to be summed up in one formula or assigned to one cause. The increasing use of agricultural machinery, for instance, is also playing its part. And there is much that is most unsatisfactory in conditions as they are just now. For instance, the army of wandering labourers that yearly moves south and west from the eastern provinces to benefit by the

higher wages there to be found is subject to all sorts of demoralising influences, as may be easily imagined. But what does that very well-informed and outspoken Socialist writer, Dr. David, whom we have before quoted, remark on this?

This "mobilisation" of the labouring population of the eastern country districts, in spite of all its drawbacks, helps towards progress. The labourers from the east of the Elbe become acquainted with the higher standards of life in the west, and come back with larger demands and greater self-confidence. . . . They cannot but regard the higher wages they are able to get as a great advance. And as it is not counterbalanced, as in the case of town workmen,¹ by higher prices for the necessities of life (housing and food), they find themselves able to save, and, compared with what they were before, they feel themselves quite "well-to-do".²

¹ This point will be dealt with later.

² *Sozialismus u. Landwirtschaft*, ii., pp. 317-20—in the course of an explanation of the slow progress of the Socialist propaganda.

CHAPTER III.

THE ACTUAL PROGRESS OF GERMANY: THE WORK-PEOPLE IN MANUFACTURES.

THAT *while* a protective policy has been in force—whether *because* or *in spite* of it—there has been on the whole a great rise in wages and a real advance in comfort on the part of the workpeople in German industries, is a thing so obvious when one comes to look into the facts that, except for the temptation of controversy, no one would think of denying it. The Fiscal Bluebook states, as the result of its merely “preliminary and partial inquiry,” that while there has been a rise in wages in all five countries—the United Kingdom, the United States, Germany, France and Italy—“the rise is greatest in Germany”.¹ It shows also that this has not been counterbalanced by an increase in the price of food—that if anything food has become a little cheaper.²

¹ P. 275.

² Pp. 224, 226. An exact comparison is rendered difficult by the circumstance that the only figures for wages on which the memorandum relies (p. 275 and chart opposite p. 274) go no further back than 1886 and extend only to 1900, while the figures for food run from 1877 to 1901, and show considerable

The same is the conclusion of all serious German investigators. The statistics "show clearly how uncommonly the position of the working classes has improved in the last two decades," writes Dr. Viktor Böhmert in 1898.¹ Dr. Böhmert is perhaps the most distinguished living statistician, and he has done particularly good service in his advocacy of exacter methods for the determination of "earnings". Moreover, he was one of the creators of the free-trade organisation which played so important a part in Germany in its time—the "Economic Congress"—while, as a strenuous advocate and student for half a century of those methods of social reform, like credit banks and profit sharing, which are dear to the individualist, his bias, if any, is against State action.

It well-nigh drives one into cynicism when one observes that, at a time when not a few free traders in England have been arguing that Germany is on the road to ruin, their German friends, who have been opposing an increase in the corn duties, have been occupied in showing that everything has been going

fluctuations. To eliminate "accidental circumstances," however, the memorandum gives some quinquennial figures for food prices, and of these the percentages most nearly covering the wage period are (average for 1897-1901 = 100) :—

1887-1891	103
1892-1896	99
1897-1901	100

¹ *Handwörterbuch der Staatswissenschaften*, i., p. 916.

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on well—of course in order to give more point to their protest. Take, for instance, the widely read, semi-popular book by Dr. Huber, Professor at the Technical College, and Secretary of the Chamber of Commerce, of Stuttgart. Dr. Huber sings a statistical pæan in praise of individualist industrialism, and sets his face against all recent “neo-mercantilist,” “imperialist” or “agrarian” tendencies. And a man like this has no doubt on the subject before us.

We can prove that the level of income in the lower classes has risen more and more in recent decades, and detailed evidence for this is to be found in the wage lists of the mines, the Government works, the insurance returns. The question is whether this has been rendered illusory by an increase in the price of the necessities of life.

And after discussing this point with the aid of the statistics of consumption, he concludes thus :—

From these data we see that the consumption of the people, and therefore their standard of comfort as well as their taxable capacity, have mightily increased—at least so far as the industrial population is concerned.¹

I propose, however, to bring forward some further evidence on this point; first, in order, if it may be, to create a “realising sense” of what is a very important fact; and secondly, because the material presented in the Fiscal Bluebook is somewhat meagre. Most of the data reach no later than 1900. In order

¹ *Deutschland als Industriestaat* (1901), pp. 54, 57.

not to disturb the argument, I shall postpone to the end what has to be said about the years 1901-4.

For "industry" proper, the Fiscal Bluebook gives only three sets of figures illustrating the course of money wages over a term of years—one for the building trades in Berlin, one for Krupp's foundries, and "the Assessed Wages in Five Principal Groups of Trades, according to the Imperial Insurance statistics".¹ But when it comes to tabulate the results of the international comparison, it takes this last set as sufficiently representative for Germany, and gives them and no others.

They are reprinted here, and their significance is made still more visible to the eye by Chart I.

PERCENTAGE INCREASE OF WAGES IN THE PRINCIPAL TRADES
OF GERMANY, according to the returns to the Insurance
Authorities.

1886 . . .	81·4	1894 . . .	84·9
1887 . . .	78·7	1895 . . .	85·9
1888 . . .	79·3	1896 . . .	88·6
1889 . . .	80·8	1897 . . .	90·9
1890 . . .	84·4	1898 . . .	94·4
1891 . . .	84·8	1899 . . .	96·8
1892 . . .	84·3	1900 . . .	100
1893 . . .	84·8		

It is probable, on the whole, that they deserve the unique position given them by the Board of Trade statisticians. They are calculated from the only

¹ P. 280.

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figures furnished by the German Government which touch the general body of operatives; and they include the great majority (indifferently lumping together men, women and children) of all those engaged in industry, covering as they do the five groups concerned with building and mining, and all the metal, textile and chemical trades. They show, what we have many other reasons for believing, a rise of 20 per cent. between 1886-87 and 1900, broken only by a stationary interval between 1890 and 1894.

But though, perhaps, sufficiently good for the immediate purpose of the Board of Trade, the figures upon which these calculations are based are by no means as exact as we could desire. The Fiscal Blue-book appends a footnote: "The German insurance figures allow insufficient weight to the higher rates of wages," but the untechnical reader cannot be expected to know what this means. It refers to a curious feature of the German accident insurance system. In reckoning the compensation to be given for accidents, regard is paid to the amount of wages earned up to an annual income of 1,200 marks¹ (reckoned for purposes of calculation as equivalent to 4 marks a day); but above that sum only one-third of a man's earnings are taken into account. Hence the employers, giving in returns to their trade associations (*Berufsgenossen-*

¹ Since 1900, 1,500 marks.

schaften), which finally go up to the Imperial Insurance Office, only enter one-third of daily earnings above 4 marks.¹ It will at once be seen how this would upset the percentage calculation for a workman earning above the amount specified: a rise from $5\frac{1}{2}$ marks to 7 marks, which is really one of 27 per cent., would appear as an increase from $4\frac{1}{2}$ to 5 marks, or only 11 per cent. Of course precisely the same would happen with a fall. For this reason many German economists and statisticians do not see their way to using the returns at all.²

It may perhaps be the case that the number of workpeople in these industries who earn less than 1,200 marks, and whose daily earnings, therefore, are returned in full, is so much larger than that of those earning more, that the difference between the real variation of the latter's wages and the assessed variation can be disregarded. But the serious mistakes which are possible may be illustrated by another consideration. In recent decades there seems to have been, in many cases, not only an increase in the earnings of those employed, but also an increase in the relative numbers of those earning the larger sums.

¹ Since 1900, 5 marks.

² Hasbach in Schmoller's *Jahrbuch*, xxvii., calls "the reports of most of the trade organisations (*Berufsgenossenschaften*) almost worthless". Cf. Beck, p. 19, and Greiszl, p. 98, in works below, p. 88, and above, p. 18, n. 3.

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This may be illustrated by the following figures carefully collected by Dr. Hermann Beck in what is perhaps the most valuable and instructive of all the statistical wage monographs of recent years.

THE ANNUAL EARNINGS OF THE WORKPEOPLE EMPLOYED MORE THAN 200 DAYS IN THE YEAR IN A MAGDEBURG ENGINEERING ESTABLISHMENT (FOR THE YEARS 1887, 1892, 1897).

Amount of Annual Earnings, in Marks.	1887.	1892.	1897.
100 to 200 . .	1	1	—
200 " 300 . .	8	17	16
300 " 400 . .	8	12	6
400 " 500 . .	2	19	3
500 " 600 . .	2	15	5
600 " 700 . .	4	14	4
700 " 800 . .	11	12	6
800 " 900 . .	21	36	22
900 " 1000 . .	51	61	33
1000 " 1100 . .	53	107	65
1100 " 1200 . .	67	83	91
1200 " 1300 . .	68	119	113
1300 " 1400 . .	38	87	161
1400 " 1500 . .	22	55	146
1500 " 1600 . .	6	37	127
1600 " 1700 . .	7	19	74
1700 " 1800 . .	9	12	74
1800 " 1900 . .	3	3	40
1900 " 2000 . .	—	—	23
2000 " 2100 . .	—	—	10
2100 " 2200 . .	—	—	7
2200 " 2300 . .	—	—	8
2300 " 2400 . .	—	—	4
2400 " 2600 . .	—	—	2
Number employed more than 250 days . .	381	709	1041
Total number employed	545	884	1296
Percentage . . .	69·9	80·2	80·3

Dr. Beck is a disciple of Dr. Böhmert; and the purpose of his inquiry is to ascertain not *rates* but actual *annual earnings*, with the relative numbers of those receiving each amount. His figures stop short of the further advance in 1898-1900 and the check in 1901-2.¹

The graphic presentation of these facts in Chart II. will make it clear to the eye that there was taking place, not only an increase in the total number and so an increase in the number securing higher earnings, but an upward movement of the general body, bringing it about that a larger proportion enjoyed the better conditions. But, with all these men, as soon as they had reached the 1,200 marks limit, only one-third of any further advance they might secure would appear in the insurance statistics.

The general figures for the whole empire do not, however, go back beyond 1886. All the more valuable therefore is the single *long* series given in the Fiscal Bluebook—the average daily wages in Krupp's works all the way back from 1900 to 1853.² It is not necessary to reprint the column; but it may be worth while to make its meaning distinctly visible to the eye by

¹ Beck, *Lohn- und Arbeitsverhältnisse in der deutschen Maschinen-industrie* (1902), p. 40.

² Calculated, I suppose, from some such table of averages as is given in the account of the *Konsum-Anstalt* prepared for the Düsseldorf Exhibition, p. 22.

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putting it into the form of a chart (Chart III.). A commentary on this chart would be a commentary on much of the industrial history of the empire. It brings out clearly the rapid progress till 1870-71, the effect of the excessive enterprise of the next three years, the rapid decline by 1879 to the 1870 level, and the almost unbroken rise since then, with only a slight retardation now and then, as in 1891-94.

The inevitable question as to the purchasing power of these wages will be answered by the table on page 91, which compares the wages with the average annual price of the kinds of food chiefly purchased at the great establishment maintained by the Krupp firm for the sale of provisions, known as the *Konsum-Anstalt*, which also practically governs the range of prices throughout the town of Essen.

From this it will be seen that though wages have risen 57 per cent. since 1871, the most general articles of consumption, rye bread, potatoes and bacon, have, the first two, fallen 17 and 31 per cent. respectively, and the latter risen only a trifle (3 per cent. on an average of 1899 and 1900). Beef and veal, which are less consumed, will be seen to have risen 11 and 21 per cent. respectively. The fluctuations from year to year are sufficiently shown in the table.

I have been unable to find any figures as to the rent of houses. But it is very well known that the Krupp firm has built some thousands of dwellings of various

WAGES AT THE KRUPP WORKS AND THE PRICES OF FOOD AT ESSEN, 1871-1900.
(Expressed as Percentages of the Amounts in the first year given.)

Year.	Average Wages per Head and per Day.		Bacon per kilo.		Beef, 2nd quality, per kilo.		Veal, 2nd quality, per kilo.		Potatoes, per 100 kilos.		Rye Bread, per kilo.	
	Amount.	Rise or Fall.	Price.	Rise or Fall.	Price.	Rise or Fall.	Price.	Rise or Fall.	Price.	Rise or Fall.	Price.	Rise or Fall.
1871	Marks. 3·03	100	Marks. 1·40	100	Marks. —	—	Marks. 8·00	100	Marks. 0·16	100	Marks. 0·16	100
1875	3·89	128	1·49	106	1·10	100	1·15	100	0·15	93	0·15	93
1880	3·19	105	1·53	109	1·16	105	1·20	104	7·94	99	0·18	111
1885	3·64	120	1·44	102	1·20	109	1·20	104	6·11	76	0·14	89
1890	3·95	130	1·71	121	1·26	115	1·22	106	5·98	74	0·14	87
1891	4·05	133	1·50	106	1·30	118	1·25	109	8·47	106	0·17	106
1892	4·06	134	1·55	110	1·30	118	1·20	104	7·47	93	0·18	108
1893	4·09	135	1·51	107	1·21	110	1·13	98	4·86	60	0·13	83
1894	4·06	134	1·50	106	1·24	113	1·17	102	5·27	65	0·12	77
1895	4·10	135	1·41	100	1·30	118	1·27	110	5·93	74	0·12	72
1896	4·24	139	1·36	96	1·23	112	1·21	105	5·30	66	0·12	75
1897	4·48	147	1·51	107	1·20	109	1·25	108	6·04	75	0·13	79
1898	4·57	150	1·63	116	1·20	109	1·33	115	6·27	78	0·14	85
1899	4·72	155	1·47	104	1·20	109	1·40	121	5·87	73	0·14	85
1900	4·78	157	1·44	102	1·22	111	1·40	121	5·56	69	0·13	83 ¹

¹ *Konsum-Anstalt*, etc., p. 24, omitting the decimals.

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styles for its workpeople, and that the rents are very moderate. Before it entered upon this policy there was something like a house famine in Essen. In the middle of the sixties a two-roomed house cost at least 108-150 marks a year. A two-roomed house can now be obtained for 90-108 marks, and larger houses at a proportionate rate.¹

Closely associated with the vast development of the steel industries, whose upward movement in the matter of wages is sufficiently illustrated by the Krupp figures, has been the growth of shipbuilding on the North Sea and Baltic coasts. Of the 50,451 persons to whom the shipbuilding yards gave employment in 1899-1900, 15,341 were described as Shipbuilders, 9,906 as Machinists (*Schlosser und Maschinenbauer*), 6,696 as Helpers (*Handlanger*), 2,816 as Boilermakers (*Kessel-schmiede*). As these make up 64 per cent. of the whole, the significance of the following figures is sufficiently clear :—

WAGES PER HOUR AT A HAMBURG SHIPBUILDING YARD IN PFENNIGS.

	1880.	1890.	1899.
Shipbuilders . .	28-35	32-45	34-48
Machinists . .	30-33	35-42	39-43
Helpers . .	26-28	31-34	33-34

¹ Kley, *Bei Krupp : eine sozialpolitische Reiseskizze* (1899), pp. 65, 79.

The increase in the *rate* here shown is noticeable between 1880 and 1890 and slight between 1890 and 1899. But this does not indicate the real extent of the improvement, which is brought out better by the figures relating to actual annual *earnings*.

PERCENTAGE INCREASES IN ANNUAL EARNINGS AT A HAMBURG
SHIPBUILDING YARD.

	1880-1890.	1890-1899.	1880-1899.
Shipbuilders . .	7·2	13·5	21·7
Machinists . .	19·4	13·3	35·3
Helpers . .	30·4	14·5	49·3
Boilermakers . .	28·0	13·0	44·7

This shows that the improvement was due as much to steadier employment as to higher rates of pay. Thus, in the case of the most poorly paid class, the "helpers," the rise in rate was only about 20 per cent., that in earnings almost 50 per cent. And this general improvement in earnings took place in spite of the fact that a reduction of the hours of labour, and the introduction of the ten hours' day, took place in the middle of the eighties.¹

¹ Schwarz and von Halle, *Die Schiffbau-industrie* (mit Benutzung amtlichen Materials), (1902), ii., pp. 105, 111-13, 124. Here will be found all the accessible details for the several districts, yards and classes of men. The only decline in the Hamburg figures is for apprentices. Insufficient knowledge of the meaning of the terms prevents my carrying the comparison into the other and smaller categories of workpeople.

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Steel naturally suggests coal. The movement of wages in coal-mining during the last three decades is extremely difficult to follow. It is complicated by the great strike of 1889, which resulted not only in an increase of the rate of wages but also in a reduction of the length of the shift from ten to nine hours (including coming and going), and by the smaller and unsuccessful local strikes of 1891-93. That the average earnings increased greatly during the twelve years 1888-1899 is shown by the following figures, taken from official Prussian sources and printed in the Labour Department's second *Abstract of Foreign Labour Statistics* :—¹

AVERAGE ANNUAL EARNINGS OF ADULT COAL-MINERS IN
PRUSSIA.

Year.	Hewers and Trimmers.			Surface Workmen.		
	£	s.	d.	£	s.	d.
1888 . .	41	3	2	34	2	8
1889 . .	45	9	6	36	10	2
1890 . .	52	6	8	40	7	0
1891 . .	53	17	1	40	18	11
1892 . .	50	1	9	39	11	8
1893 . .	48	0	2	38	14	10
1894 . .	48	13	4	38	17	2
1895 . .	49	6	2	39	5	9
1896 . .	52	8	11	40	11	11
1897 . .	56	14	5	42	8	8
1898 . .	59	13	2	44	0	5
1899 . .	63	9	1	46	2	8

¹ The figures there given for "overmen" and "other underground workmen" of course show the same general movement. *Abstract* (1901), p. 30. A third *Abstract* has not yet appeared.

No later figures are here given ; but that the progress continued in 1900 and was not very seriously checked in 1901, may be concluded from these figures concerning the greatest of the mining concerns in Westphalia.

WAGES PAID BY THE GELSENKIRCHEN COAL-MINING COMPANY.

Year.	Per Man per Shift.	Per Man per Year.
	Marks.	Marks. £ s.
1893 . .	3·47	1051 = 52 11
1894 . .	3·44	1055 = 52 15
1895 . .	3·44	1073 = 53 13
1896 . .	3·52	1100 = 55 0
1897 . .	3·83	1178 = 58 18
1898 . .	3·95	1247 = 62 17
1899 . .	4·15	1330 = 66 10
1900 . .	4·40	1410 = 70 10
1901 . .	4·36	1313 = 65 13 ¹

A comparison with earlier periods is rendered possible by the following rough estimate of Professor Schmoller :—²

APPROXIMATE AVERAGE WAGES OF THE HEWER OF COAL IN WESTPHALIA.

Year.	Marks.
1865	600- 700
1874	900-1000
1886-1888	800- 900
1890	1100-1200
1898-1899	1300-1500

¹ From *Störungen in deutschen Wirtschaftsleben*, 1900 ff. *Verein f. Socialpolitik*, cvi. (1903), ii., p. 90.

² *Grundriss*, ii., p. 297.

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Turn now to an entirely different class of industries—the various textile manufactures. These have been more stable in their condition. But while the numbers employed have not grown so rapidly as in the steel trade, there has been a marked improvement, on the whole, in the condition of the workpeople. The statistics are complicated on the one hand by the gradual disappearance of the domestic workshops, especially those of the handloom weavers, and on the other by the improvements in machinery which have taken place. Still the following figures indicate the general character of the progress. It need hardly be observed that the great majority of the operatives are women. We may begin with some statistics which seem to include both cotton and woollen operatives. The former, it may be remarked, number about half a million, the latter about a quarter of a million. The following figures deal with some 117,000 out of them (63,000 Alsace, 54,000 Silesia):—

AVERAGE ANNUAL EARNINGS OF THE OPERATIVES EMPLOYED
BY THE TEXTILE ASSOCIATIONS IN SILESIA AND ALSACE.

Year.	Silesia.	Alsace.
	Marks.	Marks.
1885 . .	401	—
1886 . .	401	600
1887 . .	410	592
1888 . .	415	589
1889 . .	425	601
1890 . .	434	606
1891 . .	438	618
1892 . .	439	608
1893 . .	444	617
1894 . .	446	624
1895 . .	453	630
1896 . .	461	645
1897 . .	471	649
1898 . .	483	655
1899 . .	494	663
1900 . .	506	670 ¹

The averages—including as they do men, women and young people—give an inadequate idea of the improvement in wages that has been taking place, if for no other reason than this, that the proportion of women has been steadily growing. It is evident that

¹ Given by Sybel in his article on the cotton industry in *Störungen*, i., pp. 145, 148. They are the figures furnished for insurance purposes ; and such large changes were introduced into the insurance law in 1900 that the figures for 1901 (in Silesia a fall to 503, in Alsace a rise to 682) are certainly not comparable with previous years. See Sybel hereon, p. 137.

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the wages of men, women and young people respectively might each advance considerably, and yet the average increase might be pulled down to small proportions by the presence of a relatively larger number of women; and in the textile industries the percentage of women increased between 1882 and 1895 from 38 to 45.¹ A truer measure of the advance effected is given in the following averages of wages actually paid in a worsted spinning mill in Alsace, which is said to have been altogether typical of the industry of the district:—

¹ *Handwörterbuch* (s.v. *Frauenarbeit*), iii., p. 1200. I have not at hand the percentages of young people. Their actual number seems to have risen up to 1890:—

	12-14.	14-16.
1883	6,943	34,748
1890	9,404	58,038

and then the number of children to have decreased owing to legislation, while that of older "young persons" slightly increased:—

	12-14.	14-16.
1898	1,977	62,217

—*Handwörterbuch* (s.v. *Jugendliche Arbeiter*), iv., p. 1409.

AVERAGE WAGES FOR SIX WORKING DAYS IN AN ALSATIAN
WORSTED SPINNING MILL, 1885-1902.

Year.	Spinner.	Doffer.	Doubler.
	Marks.	Marks.	Marks.
1885 . . .	24.48	15.12	14.50
1886 . . .	24.72	15.36	14.50
1887 . . .	24.72	15.36	14.75
1888 . . .	25.45	15.60	15
1889 . . .	26.10	16.50	15
1890 . . .	26.40	16.80	15.60
1891 . . .	27.06	17.28	16.20
1892 . . .	27.42	17.48	15.48
1893 . . .	27.96	17.76	15.72
1894 . . .	27.96	17.76	16.26
1895 . . .	28.32	18.24	16.14
1896 . . .	29.64	19.26	16.26
1897 . . .	30.45	19.68	16.26
1898 . . .	30.15	19.50	15.96
1899 . . .	30.24	19.56	15.60
1900 . . .	30.60	19.80	15.54
1901 . . .	30.96	20.10	15.42
1902 . . .	31.08	20.16	15.48

Even this does not tell the whole story; for during these eighteen years the hours of labour have been twice curtailed. In the spring of 1890 they were reduced from twelve hours a day to ten hours thirty-five minutes, and in the middle of 1899 to ten hours and twelve minutes.¹ To interpret the wage figures

¹ Kuntze, in his monograph on *Wollindustrie in Störungen*, i., p. 233. For the information that "Zwirnerin" is to be translated "doubler" and "Ansetzer" probably by "doffer," as well as concerning the proportionate number of the several classes, I am indebted to Mr. F. Hooper, Secretary of the Bradford Chamber of Commerce.

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correctly it should also be added that two spinners are employed for every doffer or doubler.

The same improvement would probably be found to have taken place in the much smaller linen industry. Here there was a general increase of rates in the late nineties, which, however, only carried further the improvement secured at an earlier time, if we may rely on the following figures :—

AVERAGE DAILY EARNINGS AT A BIELEFELD FLAX SPINNING MILL, 1884, 1893, 1899.

Year.			Spinning.	Reeling.
			Marks.	Marks.
1884	.	.	1·69	1·69
1893	.	.	1·86	1·86
1899	.	.	2·07	2·19 ¹

The evidence already adduced is more than sufficient. But for greater security one or two more facts may be briefly mentioned.

The progress of trade makes itself soon visible in the statistics of transport. And so in the ten years, 1886-87 to 1896-97, the number of railway employees in Germany increased about 31·5 per cent. But the total wages of the employees increased about 52 per cent.

¹ Potthoff, monograph on the Linen Industry in *Störungen*, i., pp. 83, 84. I am not quite sure how to interpret "zahlte in Akkord durchschnittlich täglich".

Per man, wages increased from 1,088 to 1,258 marks, i.e., 15·6 per cent.¹ The same influence is felt by the building trades; and so the builders of Berlin, who fell from the 45-50 pfennigs an hour they had secured in the early seventies to 30-35 pfennigs in the slough of depression of the late seventies and early eighties, struggled up to 55 pfennigs again in 1897. In 1901 a joint agreement with the masters gave them 65 pfennigs, and a new agreement last year made the rate 67½, increasing in 1904 to 70 pfennigs.²

The reader shall only have one more set of figures inflicted on him; but this the most significant of all. There is no clearer mark of a general upward movement in wages than an increase in the pay of the quite unskilled common day labourer, nor is there anything on the whole so cheerful to witness. That this has taken place generally all over Germany there is happily the best of evidence. We have already, in order to illustrate the improvement in the position of the agricultural labourer, looked at some of the figures

¹ Böhmert in *Handwörterbuch*, i., p. 915.

² For some early figures see Hirschberg, *Die soziale Lage der arbeitenden Klassen in Berlin*, pp. 240-43. The agreement of 1903 is mentioned by Professor Oldenberg in *Der Tag* for 14th June, 1903, as common knowledge. In *The Fiscal Bluebook*, p. 280, will be found an estimate of wages for the Berlin building trades since 1872; but the conditions of the industry render any such estimate very insecure.

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of "rates of daily pay customary in the locality" which have to be ascertained and registered from time to time by the local authorities, in order to carry out the requirements of the Sick Insurance Laws. On the next page will be found the rates for all the towns of Germany with a population of more than 100,000, as they were officially recognised in the first year the legislation was in force, *viz.*, 1884, in the present year 1904, and also four years ago.¹

It will be seen that in all cases there was a rise in the twenty years, 1884-1904, a rise amounting, on an average of the towns, to somewhere about 25 per cent. It will be seen that in most cases this gain had been largely secured by 1900—the advance, on an average of the towns, amounting to about 14 per cent. But it will also be noticed, and this is a point of the utmost importance in its bearing upon the discussion to which we shall proceed by-and-by, that in no case has the recognised rate fallen off since 1900; that in twenty-seven out of the thirty-three towns it has risen, in some cases notably; so that the rate of increase on an average of the towns between 1900 and 1904 has actually been about 14 per cent. also.² The amounts

¹ With the exception of eight towns for which I have been unable to find the figures for 1884, and one which had not, till the last census, overstepped the 100,000 line.

² The gains for the two shorter periods do not exactly correspond to the gain for the whole time because the number of towns which can be compared is slightly different in each case.

CUSTOMARY LOCAL WAGES OF DAY LABOURERS IN THE GREAT TOWNS, 1884, 1900, 1904 (PER DAY).¹

Towns with Population in Thousands.	1884.	1900.	1904.
	Marks.	Marks.	Marks.
Aachen, 135 . .	2	2·40	2·40
Altona, 161 . .	2·50	3	3
Barmen, 141 . .	2·40	2·40	2·70
Berlin, 1,888 . .	2·40	2·70	2·90
Bremen, 163 . .	—	3	3·50
Breslau, 422 . .	1·60	2	2·40
Brunswick, 128 . .	—	2·20	2·50
Charlottenburg, 189	2	2·50	2·90
Chemnitz, 206 . .	2	2·20	2·50
Cologne, 372 . .	2·50	2·50	3
Crefeld, 106 . .	2·40	—	2·60
Danzig, 140 . .	1·80	2	2·50
Dortmund, 142 . .	2	2·50	2·75
Dresden, 396 . .	—	2·50	2·80
Düsseldorf, 213 . .	2·40	2·40	3
Elberfeld, 156 . .	—	2·40	2·70
Essen, 118 . .	2·40	2·40	2·80
Frankfurt a. M., 288	—	2·50	3·10
Halle, 156 . .	2·10	2·20	2·45
Hamburg, 705 . .	—	3	3
Hanover, 235 . .	1·80	2·40	2·70
Kassel, 106 . .	2·12	2·16	2·50
Kiel, 107 . .	2·70	2·70	3·20
Königsberg, 189 . .	1·70	2	2·30
Leipzig, 456 . .	—	2	3
Magdeburg, 229 . .	2	2	2·50
Mannheim, 141 . .	2·30	2·70	2·70
Munich, 499 . .	2·30	2·50	3
Nuremberg, 261 . .	—	2·20	2·90
Posen, 117 . .	1·60	1·60	2
Stettin, 210 . .	2	2·25	2·50
Strasburg, 151 . .	2·20	2·50	2·50
Stuttgart, 176 . .	2	2·70	3

¹ The first "ascertainments" were printed in the semi-official journal *Die Arbeiterversorgung*, edited by J. Schmitz, and it will

seem small to English eyes, just as similar English figures seem small to American eyes. But everything is relative ; and it is the actual improvement of German conditions we are now observing.

We are too imperfectly informed as to the date at which each figure was officially recognised to be able to lay great stress on these for any particular time, or any particular period. But the general conclusion to which they point is surely unmistakable.

Before passing from the topic of wages, we may hark back to the conclusion which it may be remembered was suggested to us by the figures as to the Magdeburg machinists,¹ viz., that the upward movement was one which was affecting the whole structure of the working population, diminishing the relative proportion of those belonging to the lower wage classes and strengthening that which belonged to the upper wage classes. Now there is a remarkable bit

save some future inquirer no little trouble to add that they will be found in the following volumes and numbers : i., 9, 11, 12, 15, 16, 18, 20, 22 ; ii., 6, 9, 12, 13, 14, 19, 24 ; iii., 3, 5, 10, 13 (1884-1886). All the figures recognised in 1904 are printed in part ii. of Götze-Schindler, *Jahrbuch der Arbeiterversicherung* (1904). Those for what I presume is the year 1900 are taken from the list of cities in the article by Dr. Bleicher in the *Handbuch der Wirtschaftskunde Deutschlands*, i. (1901), p. 330. Apparently an official revision of the figures was in progress in 1900 (Bleicher, p. 328 n.).

¹ Above, p. 88.

of evidence which seems to show that this tendency has been at work throughout the working classes. To carry out the Old Age and Infirmity Insurance system certain weekly payments have been demanded from every workman since 1891. And it seems that, in proportion to the total number of payments, those from the *lowest* wage classes have been rapidly and very distinctly lessening. This is shown by the following table :—

PERCENTAGE FURNISHED BY THE SEVERAL WAGE CLASSES TO THE
TOTAL NUMBER OF CONTRIBUTIONS TO THE OLD AGE PEN-
SION FUNDS, 1891, 1897, 1902.

Wage Classes.	1891.	1897.	1902.
I. (up to 350 marks, annual income) .	25·3	21·4	14·8
II. (350 to 550) .	38·4	37·9	31·1
III. (550 „ 850) .	21·7	24·2	25·7
IV. (over 850) .	14·6	16·5	17·1
			V. (over 1150) 11·3 ¹

In spite of the fact that between 1891 and 1897 whole classes of persons employed in the small “domestic” industries with most exiguous earnings had been brought within the scope of the insurance

¹ The figures for 1891 and 1897 are taken from Professor Troeltsch's interesting volume of popular lectures, *Über die neuesten Veränderungen im deutschen Wirthschaftsleben* (1899), p. 145. Those for 1902 I have calculated from the figures in the *Statistisches Jahrbuch für das Deutsche Reich* (1904), p. 249.

system, the number of contributions from the lowest class had fallen off more than 4 per cent., and of course those from the better-off had increased in like proportion. The result of the large wage advances of the next two or three "boom" years, checked doubtless somewhat by the temporary depression of 1901, is seen in the decrease by 1902 of the number of payments from the two lowest classes by a much larger percentage—more than 13. The proportion from the highest class had almost doubled; and this was becoming so evident by 1900 that it was actually deemed worth while to subdivide the fourth class and make a new fifth class. There can hardly be a fitter conclusion to our inquiries into the earnings of the German working classes than the mention of this significant fact.

CHAPTER IV.

CRITERIA OF GROWING PROSPERITY.

THE indications already produced of a growing prosperity on the part of the wage-earning classes alike in industry and in agriculture, as well as of the great body of the smaller peasants, should perhaps suffice of themselves to carry conviction. The general rise in wages has clearly not been counterbalanced by an increase in the price of food. But it may be alleged that other things besides food may have risen in price, and also that we are insufficiently informed as to the extent of the increase in house rents which certainly has taken place in certain places. It is fortunate, therefore, that we are able to supplement the evidence already given by data of an altogether different kind.

The income-tax statistics of Saxony present the merit, for our purposes, of going back as far as 1880, while those for Prussia are only complete since 1894. Moreover, it is generally recognised that the administrative methods of the Saxon kingdom ensure a high degree of accuracy in the returns. And there is this further interest in the Saxon figures, that they belong

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to the portion of Germany which has been most completely industrialised.

They show unmistakably that a most satisfactory change has been taking place in the economic structure of Saxon society. The "classes," as they are technically called, with the lowest incomes (and in Saxony the returns go as low as 400 marks [= £20] annually) have been dwindling in their proportion to the whole population in a most remarkable degree, while the incomes of the next higher stages have been distinctly increasing. I take the figures for 1880-1896 from a careful piece of statistical work by Dr. William Böhmert.¹

PERCENTAGE OF THE TOTAL INCOME BELONGING TO CERTAIN
INCOME CLASSES IN SAXONY, 1880, 1896.

Classes.	1880.	1896.
Under 950 marks .	45	36
950 to 1250 " .	7·63	9·86
1250 " 1600 " .	6·05	6·74
1600 " 1900 " .	3·66	3·67
1900 " 2200 " .	3·05	3·17
	20·39	23·44

The actual proportion of the total population which fell into the lowest class had slightly diminished; but

¹ *Die Verteilung des Einkommens in Preussen und Sachsen* (1898), pp. 11, 13. The last four percentages in the first table are calculated from the amounts there given.

the proportions of the classes next above had quite noticeably grown, as the following table shows :—

PROPORTION TO THE POPULATION OF THE NUMBERS OF PERSONS
IN THE SEVERAL INCOME CLASSES.

Classes.	1880.	1896.
Under 950 marks .	30·76	30·54
950 to 1250 „ .	2·32	4·27
1250 „ 1600 „ .	1·38	2·23
1600 „ 1900 „ .	·69	·99
1900 „ 2200 „ .	·49	·73

Very remarkable are the figures for the great towns, especially when we take separately the incomes below 600 marks. For Leipzig they are startling when we recall the fact that between 1880 and 1896 the population of “Leipzig” changed from 149,000 to 400,000, owing to the incorporation of the new industrial suburbs.

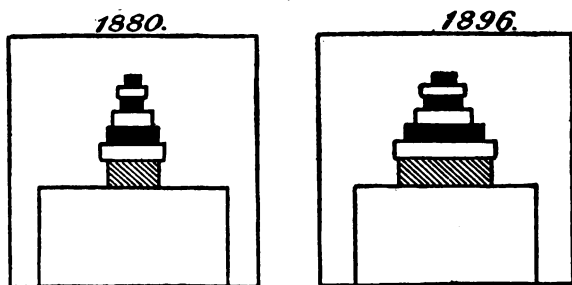
PERCENTAGE OF ASSESSED PERSONS IN DRESDEN, LEIPZIG AND
CHEMNITZ WHOSE INCOMES FELL INTO THE SEVERAL
CLASSES, 1880-1896.

Classes.	Dresden.		Leipzig.		Chemnitz.	
	1880.	1896.	1880.	1896.	1880.	1896.
Under 600 marks .	50	32	47	36	56	41
600- 950 „ .	28	37	28·5	29·5	25	30
950-1250 „ .	10·5	16	11·5	17·5	10	14·5
1250-1600 „ .	6	8	7	10	5	8·5
1600-2200 „ .	5·5	7	6	7	4	6

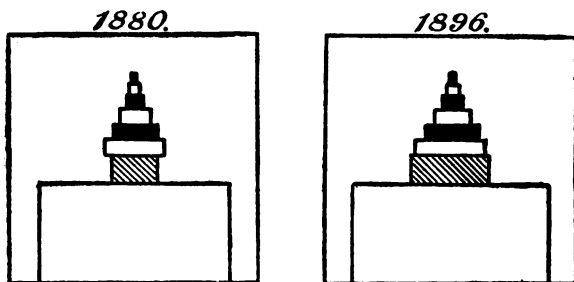
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Dr. William Böhmert has sought to visualise the changes which have been taking place by the very ingenious graphic diagrams reproduced below. They show how very substantial has been the relative increase of the income classes above the lowest. Looked at, so to speak, as a piece of social mechanics, it is evident at a glance how much more *stable* the structure of society was becoming in those years.

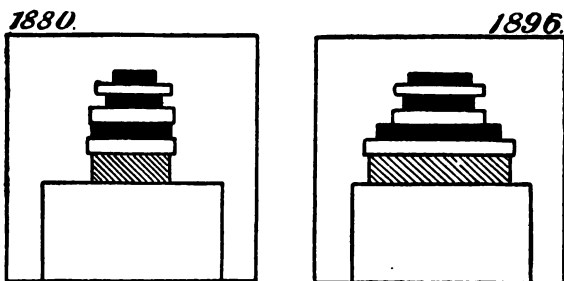
DIAGRAMS II.-VI.—THE CHANGES IN THE ECONOMIC STRUCTURE OF SAXONY, 1880-1896.



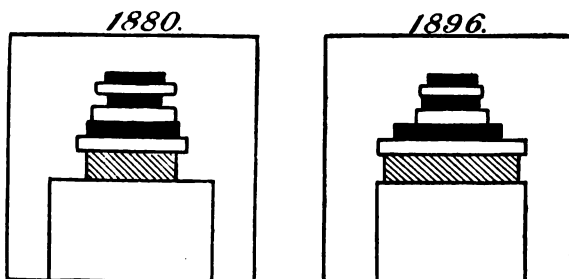
II.—The Kingdom as a Whole.



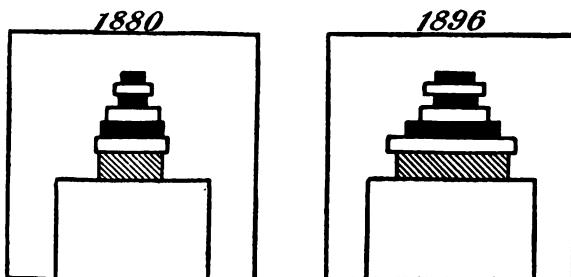
III.—The Country Districts.



IV.—Dresden.



V.—Leipzig.



VI.—Chemnitz.

NOTE.—The inclosing square represents a population of 10,000; the several quadrangles represent the proportionate

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numbers of incomes belonging to the several classes ; the bottom, *white*, quadrangle those below 950 marks ; the next above, *shaded*, quadrangle those between 950 to 1,250 marks ; the next above, *white*, quadrangle those between 1,250 to 1,600 marks ; the next above, *black*, quadrangle those between 1,600 to 2,200 marks ; the next above, *white*, quadrangle those between 2,200 to 3,300 (1896, 3,100) marks ; the next above, *black*, quadrangle those between 3,300 (1896, 3,100) to 4,800 marks ; the next above, *white*, quadrangle those between 4,800 to 9,600 (1896, 9,400) marks ; the top, *black*, quadrangle those above 9,600 (1896, 9,400) marks. As will be seen, the range of the upper income classes was slightly different in 1896, but not enough to affect the general result.

And the movement has not stopped since 1896. The last *Statistical Year Book* issued by the Saxon Statistical Bureau gives the striking figures on the following page.¹

These are taken just as they are given in the Government returns, with nothing added but the amount of rise or fall. If statistics can teach anything at all, these show that the relative number of the lowest incomes is steadily decreasing, and those of the comparatively well-to-do working classes as steadily increasing. Before passing on, the reader should compare the figures for 1900 with those of the preceding and following years. That the depression following on the "boom" years 1898-1900 had some effect in retarding the progress is as clear as that it only retarded and did not defeat it.

¹ *Statistisches Jahrbuch für das Königreich Sachsen*, 1904, p. 49.

PERCENTAGE OF ASSESSMENTS AND INCOME IN CERTAIN INCOME CLASSES IN SAXONY, 1896-1902.

Class.	Assessments.				Rise (+) or Fall (-) 1896-1902.		Income.				Rise (+) or Fall (-) 1896-1902.	
	1896.	1898.	1900.	1902.			1896.	1898.	1900.	1902.		
Up to 400 marks	13.78	11.98	10.82	10.58	- 3.20		3.71	3.00	2.54	2.43	- 1.23	
400 " 500 "	20.75	19.19	17.47	16.79	- 3.96		8.25	7.20	6.24	5.95	- 2.30	
500 " 600 "	11.59	11.15	10.58	10.99	- .60		5.75	5.22	4.70	4.81	- .94	
600 " 700 "	9.21	8.76	8.27	8.39	- .82		5.35	4.81	4.31	4.32	- 1.03	
700 " 800 "	8.64	8.71	8.55	8.38	- .46		5.80	5.51	5.13	4.97	- .83	
800 " 950 "	9.43	9.91	10.27	9.98	+ .55		7.37	7.31	7.18	6.90	- .47	
950 " 1100 "	6.08	7.44	8.50	8.28	+ 2.20		5.51	6.35	6.90	6.63	+ .88	
1100 " 1250 "	4.18	5.14	5.78	5.93	+ 1.75		4.38	5.08	5.43	5.49	+ 1.11	
1250 " 1400 "	2.59	2.97	3.60	3.71	+ 1.12		3.05	3.29	3.78	3.85	+ .80	
1400 " 1600 "	2.77	3.11	3.59	3.76	+ .99		3.67	3.90	4.27	4.42	+ .75	
1600 " 1900 "	2.38	2.58	2.86	3.04	+ .66		3.69	3.78	3.97	4.16	+ .47	
1900 " 2200 "	1.76	1.84	1.99	2.08	+ .32		3.18	3.14	3.22	3.36	+ .18	

For Prussia we have some information covering a wider range of time which I may now give, partly because it confirms in a general way the conclusions already so clearly indicated, partly because it enables me to quote from one of the most remarkable and influential of the books of the last few years. In his *Postulates of Socialism* (1899) the most competent of living German Socialist writers, Edouard Bernstein, adds the following to a good deal of more or less similar information about other countries:—

In Prussia—as the readers of Lassalle know—there were in 1854, with a population of 16·3 millions, only 44,407 persons with an income of more than 3,000 marks. In 1894-95, with a total population of about 33,000,000, 321,296 persons were assessed at above 3,000 marks; in 1897-98, the number had risen to 347,328. While the population had doubled, the stratum of well-to-do had increased more than sevenfold. Even if one reckons against this that the provinces annexed in 1866 had a larger proportion of well-to-do than old Prussia, and that the price of many articles of food has considerably increased in the interval, the relative numbers of the better-to-do have certainly increased more than two to one.¹

Mr. Bernstein, to point the contrast with the state of things in Lassalle's time, was obliged to take the incomes above 3,000 marks (for Germany a "middle-class" figure), because then and long afterwards the Prussian income-tax started at that point. But this relative growth of the lower *bourgeoisie* is of a piece

¹ *Die Voraussetzungen des Sozialismus*, p. 49. We shall return to this really "epoch-making" book later (p. 140).

with the growth of income among the working classes. It testifies to an advancing general prosperity throughout the whole nation.¹

Evidence as to actually paid earnings and as to assessed incomes will still fail to extort agreement from stubborn controversialists. But really all the criteria of increasing well-being on the part of "the masses" are quickly furnished by the material lying ready to our hand in the usual Government reports and works of reference. Scarcely one of them, perhaps, is absolutely conclusive taken by itself; but altogether they establish a presumption which may fairly be said to amount to certainty. I shall briefly formulate each of them in a single sentence, followed by sufficient evidence and with no further discussion of details.

1. In the last quarter of a century the deposits in German savings banks have steadily become both more numerous and more considerable in amount in proportion to the population.

¹The figures of the *present* income-tax system, though they cover only a few years, indicate a progress among the poorest classes in Prussia similar to that in Saxony. "In Prussia 70·27 per cent. of the assessments in 1892 were of incomes below 900 marks; in 1900 such incomes were only 62·41 per cent. of the number" (from a speech of the ex-minister von Berlepsch). *Warum betreiben wir die soziale Reform?* (1903), p. 7.

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THE PUBLIC SAVINGS BANKS OF SAXONY, 1880-1900.

Year.	Deposits per Head of Population.	No. of Popu- lation per Depositor.
	Marks.	
1880. .	114·65	3·25
1881. .	116·47	3·13
1882. .	119·21	2·95
1883. .	123·58	2·75
1884. .	130·53	2·60
1885. .	137·16	2·48
1886. .	143·79	2·40
1887. .	149·58	2·34
1888. .	156·25	2·27
1889. .	162·64	2·21
1890. .	167·35	2·16
1891. .	170·42	2·13
1892. .	175·15	2·09
1893. .	180·46	2·05
1894. .	186·19	2·00
1895. .	197·11	1·94
1896. .	206·78	1·88
1897. .	213·36	1·85
1898. .	219·42	1·81
1899. .	222·64	1·79
1900. .	222·03	1·78 ¹

THE PUBLIC SAVINGS BANKS OF BAVARIA, 1869, 1889, 1899.

Year.	Deposits per Head of Population.	Depositors per cent. of Population.
	Marks.	
1869. .	10·1	6
1889. .	31·2	10
1899. .	50·8	13 ²

¹ *Kalender und Statistisches Jahrbuch für Sachsen*, 1904, p. 66.

² The later figures are not accessible to the writer. These particular years are selected and reported on in the *Zeitschrift des König. Bayer. Statistischen Bureau*, 1902 (No. 3), p. 173.

THE PUBLIC SAVINGS BANK OF PRUSSIA, 1875-1898.

Year.	Number of Depositors.	Total Amount of Deposits in Millions of Marks.
1875 . .	2,209,101	1112
1885 . .	4,209,453	2261
1890 . .	5,592,662	3282
1898 . .	8,049,599	5287 ¹

These comparisons are given in the form in which they are found in the several authorities. They all display the same phenomena. Thus it is evident on inspection that in Prussia the number and amount of deposits have been growing far more quickly than the population. By careful inquiry at six typical offices, it was found that in Prussia the deposits from the wage-earning classes varied from 30 to 75 per cent. of the whole.² We are probably not far from the truth in supposing that half the deposits are the result of working-class savings. These, it should further be noted, are only the "Kassen" managed by the public authorities. In most states there are many other "private" savings banks of various kinds. Of these

¹The only years given in *Handwörterbuch der Staatswissenschaften* (s.v. *Sparkassen*), vi., p. 865, where may also be found the statistics for other states.

²Schmoller, *Grundriss*, ii., p. 251.

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there were in Bavaria in 1869 only seven; in 1899 there were 2,000!¹

2. In the last two decades the co-operative movement has taken hold of the German working classes, and the number of members of working-class co-operative stores and the amount of their business have been rapidly growing.

NUMBER, MEMBERSHIP AND TRADE OF STORES BELONGING TO THE CO-OPERATIVE UNION.

Year.	Number of Societies Sending in Returns.	Members.	Turnover in Thousands of Marks.
<i>1. Upward Development, 1864-1873.</i>			
1864 . .	38	7,700	800
1868 . .	75	33,600	6,300
1870 . .	111	45,700	9,000
1873 . .	189	87,500	21,800
<i>2. Stagnation, 1874-1885.</i>			
1874 . .	178	90,000	22,600
1880 . .	195	94,000	30,300
1883 . .	172	110,000	32,600
1885 . .	162	120,000	35,100
<i>3. Upward Development, 1886-1900.</i>			
1886 . .	164	144,000	38,300
1888 . .	198	173,000	46,800
1893 . .	377	264,000	68,300
1895 . .	460	292,000	82,600
1899 . .	534	468,000	115,000
1900 . .	568	522,000	126,900

¹ *Zeitschrift, u.s., p. 172.*

Dr. Riehn, from whose monograph on the co-operative stores, or "Konsumvereine" as they are called in Germany, this table, with its classification of years is taken,¹ explains that the societies belonging to the Co-operative Union ("Allgemeine Verband deutsche Erwerbs- und Wirthschaftsgenossenschaften") have been probably only from one-third to two-fifths of those actually in existence. As they have been the best organised, however, they have probably represented rather more than half the membership and business. According to the same author, the stagnation of 1874-1885 indicates the inability of the *petite bourgeoisie* to carry the movement farther; the astonishing development of later years points to its enthusiastic adoption by the working classes in the great towns. In Saxony especially the membership consists of working men to the extent of some 75 per cent. It was the Saxon societies which in 1894 founded the wholesale society at Hamburg on the model of the very successful English "Wholesale"; and Dr. Riehn takes pleasure in working out in figures the "astounding parallelism" between the early stages of the English and German organisations.

3. In the last quarter of a century the consumption per head has increased of all the ordinary articles of food.

¹ Reinhold Riehn, *Das Konsumvereinswesen in Deutschland* (in *Münchener Volkswirtschaftliche Studien*, 51), 1902, p. 200.

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The figures will first be given for rye, wheat, potatoes, sugar, rice, raisins, currants and herrings; and to these petroleum will be added as almost equally necessary. We shall deal afterwards with the more difficult question of meat. The figures come no later than 1896; they are here given just as they are to be found in what is generally regarded as a careful attempt to arrive as near as may be at the truth in a difficult field.¹

CONSUMPTION OF RYE, WHEAT AND POTATOES IN GERMANY, PER HEAD OF POPULATION.

Years.	Rye.	Wheat.	Potatoes.
	Kilos.	Kilos.	Kilos.
1879 to 1884 . .	121·0	51·6	339·9
1884 „ 1889 . .	115·9	56·6	399·9
1889 „ 1894 . .	112·6	63·4	398·2
1894 „ 1895 . .	128·5	74·4	444·2
1895 „ 1896 . .	123·6 ²	74·4 ²	492·8 ²

¹ Kurt Apelt, *Die Konsumption der wichtigsten Kulturländer* (1899).

² According to Professor von Halle (*Das Deutsche Reich und seine Bewohner zu Beginn des XX Jahrhunderts*—the Introduction to the Official Catalogue for German Section of the St. Louis Exposition), the figures, on an average of the years 1893-1901, were for rye 148·6, for wheat 88·2, for potatoes 590·5.

CONSUMPTION OF SUGAR IN GERMANY, PER HEAD OF
POPULATION.

Years.	Kilos.
1870-71 to 1880-81 . .	6·4
1881-82 „ 1885-86 . .	7·8
1886-87 „ 1890-91 . .	8·5
1891-92 „ 1895-96 . .	10·7 ¹

CONSUMPTION OF RICE IN GERMANY, PER HEAD OF
POPULATION.

Years.	Kilos.
1871 to 1875 . .	1·55
1876 „ 1880 . .	1·66
1881 „ 1885 . .	1·81
1886 „ 1890 . .	1·76
1891 „ 1895 . .	2·49

CONSUMPTION OF RAISINS AND CURRANTS, PER HEAD OF
POPULATION.

Years.	Raisins.	Currants.
	Kilos.	Kilos.
1886 to 1890 .	·31	·18
1891 „ 1895 .	·44	·21

¹ According to von Halle (*u.s.*), the consumption per head in 1902 was 11·6 kilos.

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CONSUMPTION OF HERRINGS AND PETROLEUM, PER HEAD OF POPULATION.

Years.	Herrings.	Petroleum.
	Kilos.	Kilos.
1861 to 1865 .	1·76	—
1866 „ 1870 .	2·02	1·87
1871 „ 1875 .	2·50	3·75
1876 „ 1880 .	2·38	5·40
1881 „ 1885 .	3·01	8·54
1886 „ 1890 .	3·57	11·61
1891 „ 1895 .	3·74	14·82
1896 . . .	3·45 ¹	16·14 ¹

These figures may be variously explained in detail, as by growing cheapness or change of habit. But their general trend seems unmistakable. The people, on the average, have been getting more food and more light.

As to meat, the reader may be reminded of the doubts which attach themselves to the attempts to measure the well-being of one people as compared with another or of the same people at different periods simply by the statistics of this particular form of food. The needs of a rural population are different from those of an urban population; and it does not necessarily follow that because a more industrialised

¹ According to von Halle (*u.s.*), the consumption per head of herrings in 1902 was 4·06 kilos., that of petroleum, in 1901, 17·7 kilos.

population obtains more meat it obtains a sufficiently greater proportion to indicate a real increase in well-being.

Whether, however, the figures are to be interpreted in the rather naïvely optimistic way that is current, especially in England, or not, there can be hardly any doubt that as a matter of fact the consumption of meat per head in Germany has greatly increased.

(i.) This is the opinion of the highest scientific authorities :—

Professor Gerlach sums up the results of his careful examination of the whole intricate subject after reviewing all the evidence :—

It appears from these data that the consumption of meat in Germany has pretty generally taken the same course. With the war period at the beginning of the nineteenth century a marked retrogression set in, which lasted to the middle of the century. Then an upward movement began which has lasted to the present (1898), with several shorter or longer interruptions in times of economic crises or of dear fodder.¹

This judgment is echoed by a younger investigator, Dr. Apelt, who adds :—

This increase is particularly noticeable in pig-meat, while other kinds often follow but slowly the upward movement, and frequently show a falling off. One can hardly be mistaken if one follows the statisticians Engel and Böhmert in seeing in

¹ Article "Fleischkonsum" in *Handwörterbuch der Staatswissenschaften*, iii., p. 1100.

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this fact a proof that the increase of consumption has taken place chiefly among the lower and middle classes.¹

(ii.) The most generally accepted estimate of consumption over the greater part of the empire is the following :—

CONSUMPTION OF MEAT IN PRUSSIA.

Years.	Kilos. per Head of Population.
1863 to 1867 . . .	18 ²
1897	37

The estimate for 1897 has been criticised as much too low ; but in any case these figures indicate a very great increase.

(iii.) The most trustworthy official figures for a large area containing both urban and rural population are those furnished by the kingdom of Saxony :—

¹ *Die Konsumption*, etc., p. 46.

² Eighteen was Schmoller's estimate for 1867, and that of the statisticians Dieterici and Engel for 1863 quoted in Gerlach's article. The figures for 1897 are the well-known conclusions of Dr. Lichtenfelt in the *Landwirthschaftliche Jahrbücher* (1897), Heft 1 ; accepted, for instance, by the head of the Imperial Statistical Office, Dr. von Scheel, in his *Deutsche Volkswirtschaft am Schlusse des 19 Jahrhunderts* (1900), p. 56. For the elaborate technical criticisms of Professor Huckert see *Zeitschrift für Socialwissenschaft* (1900), Heft 2. While Dr. Lichtenfelt gave 39·9 as his figures for the whole of Germany, a subsequent Government estimate makes it 45 (see below, p. 126, n. 1).

CONSUMPTION OF BEEF AND PIG-MEAT IN SAXONY,
1860 TO 1902.

Year.	Beef.	Pig-Meat.
	Kilos.	Kilos.
1860 . . .	9	13·2
1865 . . .	10·9	14·7
1870 . . .	9	13·6
1875 . . .	12·7	17·1
1880 . . .	11·1	18·1
1885 . . .	12	20·4
1890 . . .	14	20·6
1895 . . .	13·7	23·5
1896 . . .	14·2	26·4
1897 . . .	15·1	25·6
1898 . . .	15·0	25·9
1899 . . .	15·4	27·9
1900 . . .	15·2	27·9
1901 . . .	14·9	25·9
1902 . . .	15·5	23·3 ¹

The effect of the depression of 1901 and of the high prices of 1902 are here very visible. The consumption of beef decreased a trifle in 1901, but more than recovered in 1902; that of "Schweinefleisch" decreased notably, but still remained above its level in the

¹ *Stat. Jahrb. für Sachsen* (1904), p. 73. The figures do not, I believe, include veal.

eighties, which again was higher than that in earlier decades.¹

¹This is a matter in which it is so easy to misinterpret the figures, and they have actually been so misinterpreted of late under the pressure of controversy, that some additional remarks may be in place. (1) The subject is one of the utmost complexity, and it is easily possible to err even in dealing with a country with which one is familiar. Thus the most recent investigations greatly reduce the figures hitherto accepted for the United Kingdom. It is now estimated, on an average for the five years 1899-1903, as 121·77 lb. ; for the year 1902-3, 115·09 lb. (*Report of a Committee of the R. Stat. Soc. on the Production, etc., of Meat*, 1903, p. 13). Compare this with the 132 lb. of Major Craigie of the Board of Agriculture at the British Association in 1900 (*Jour. Stat. Soc.*, lx., p. 469). So reduced they have been brought much nearer to the official German estimates for the whole empire (99 lb. according to *Entwurf eines Gesetzes, etc.*, No. 138, Reichstag 10, 1898, quoted by Mr. Crawford in *Jour. Stat. Soc.*, lxii., p. 615).

(2) The figures which lend themselves most easily to hasty manipulation are those furnished by the several German cities. By choosing your town and your year, almost anything can be proved, as will be readily seen in glancing over the figures collected by Professor Gerlach. In the same decade the consumption will appear to be going up in Stuttgart, Strasburg, Bremen, Cassel ; going down in Berlin, Munich, Dresden ! The several cities have different ways of reckoning both the total consumption and the population that divides it ; the amount that does not enter into the official lists (commonly derived chiefly from slaughter-house figures) varies from time to time in the same place. But what if it appears pretty clear that in a certain city the consumption per head of meat *has* fallen off in a certain period ? Thus a recent writer lays great stress on the circumstance that “ the consumption of meat has decreased

4. It is cheering to the temperance reformer to learn

even in a well-to-do city like Munich. While the population of Munich increased between 1881 and 1900 109·75 per cent., the consumption of meat only increased 81·33 per cent." Putting on one side the growing consumption of sausages and other forms of prepared meat imported from outside as well as of fowls and of fish (the latter especially by the working classes) to which even the authority to whom the writer in question refers calls attention (Creuzbauer, *Die Versorgung Münchens mit Lebensmitteln*, 1903, p. 21), what do the facts prove? A deterioration in the condition of a stable population? Not at all; because a *new population* had been coming into existence. The very increase of over 100 per cent. in twenty years ought to have made this clear. If we go farther back we find that between 1860 and 1903 the population grew from 127,000 to 515,000—more than 400 per cent. Munich, in fact, was rapidly being converted from a comparatively small "Court and University" town into a great industrial and commercial conglomeration of the modern type. With a far larger number of working men, many of them also coming from the agricultural districts where they had been accustomed to a different diet, of course the consumption per head of meat decreased. The surprising thing is that it did not decrease more.

(3) Moreover—and it is continually forgotten on every side—what is sauce for the goose is sauce for the gander. If a decline per head in a particular town proves anything at one time it proves the same at another. The set of figures for Munich just referred to began with 1881; and, as a protective policy was adopted in 1879, it was easy to suggest a connection. But a little research would have found the figures for Munich for 1809-1869 (reproduced by Apelt, p. 51), and they also show a hardly interrupted decline. So likewise the figures for Hamburg were declining (*Handwörterbuch*, iii., p. 109) between 1821 and 1852, and so on. But the point is too obvious to need labouring.

that there has been a steady, if not large, decrease in the consumption per head of spirits.¹

5. In the last twenty years there has been a gradual decrease of the hours of labour. This, as we have seen, need not in all cases mean a real relief to the workman. Still, on the whole, there can be little doubt that it is an advantage.

Dr. Viktor Böhmert² sums up the matter thus, writing in 1898 :—

It results from the evidence that at present (1897) the hours of labour of the German workman vary from an average of nine to an average of eleven. While the inquiry of 1885 showed numerous instances, especially in Eastern Germany and Saxony, of a twelve-hour or even longer day, all later reports give a constantly increasing number of instances of a curtailment of the day's work. So that a gradual reduction of the time of labour can be confidently regarded as the tendency of

¹ This seems to be the general opinion of German observers, who attribute the improvement partly to the heavier taxation of spirits, partly to the better education of the people. The apparent increase in the consumption of alcohol is to be attributed to the rapidly growing use of spirits in manufacture. The only attempt at exact estimates of personal consumption are these of Apelt, *Konsumption*, pp. 127, 128 :—

	Litres.
1881-1886	5·4
1889-1891	4·5

This lessened use of spirits has, indeed, until recently been accompanied by a greater consumption of the less harmful beer, but even this now shows a tendency to fall off—(von Halle, *Das deutsche Reich*, p. 39).

² For whom see p. 83 above.

recent times. Especially noticeable is the circumstance, to which factory inspectors here and there call attention, that "employers no longer display so stubborn a resistance to the just demands of their men in this respect," and that "it begins to be realised in industrial circles that a shortening of the time of labour, within certain limits, is by no means opposed to the employers' interests".¹

About the same time Dr. Hirschberg, now head of the Municipal Statistical Bureau of Berlin, declared with regard to Berlin trades :—

In most trades there seems to have been a welcome reduction of the hours of labour. The general rule is probably now ten hours, not reckoning the pauses.²

That this decrease has continued since the date of these publications can be seen in the instances given above (p. 99) and below (p. 151).

6. In the last quarter of a century the death-rate in Germany has greatly and steadily diminished.

So that the comparison may be carried some way back, I will here set down all the figures given by the Statistical Year Book for the German Empire.³

¹ *Handwörterbuch der Staatswissenschaften* (s.v. *Arbeitszeit*), i., p. 1013.

² *Soziale Lage der arbeitenden Klassen in Berlin* (1897), p. 265.

³ *Statistisches Jahrbuch für das Deutsche Reich* (1904), p. 20. They differ from those supplied by the German authorities to the English Registrar-General's Report, e.g., that for 1902 (1904), p. clxxiii., in that they include still-born, which makes a difference of rather more than 1 per cent., but they are here preferred as giving a longer series.

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THE GERMAN DEATH-RATE, 1851-1902.

Year.	Deaths per 1000 of Population.	Year.	Deaths per 1000 of Population.
1851 . .	26.5	1877 . .	28.0
1852 . .	29.9	1878 . .	27.8
1853 . .	28.6	1879 . .	27.2
1854 . .	28.3	1880 . .	27.5
1855 . .	29.4	1881 . .	26.9
1856 . .	26.6	1882 . .	27.2
1857 . .	28.7	1883 . .	27.3
1858 . .	28.4	1884 . .	27.4
1859 . .	27.4	1885 . .	27.2
1860 . .	24.8	1886 . .	27.6
1861 . .	27.1	1887 . .	25.6
1862 . .	26.2	1888 . .	25.1
1863 . .	27.3	1889 . .	25.0
1864 . .	27.8	1890 . .	25.6
1865 . .	29.2	1891 . .	24.7
1866 . .	32.2	1892 . .	25.3
1867 . .	27.6	1893 . .	25.8
1868 . .	29.2	1894 . .	23.5
1869 . .	28.5	1895 . .	23.4
1870 . .	29.0	1896 . .	22.1
1871 . .	31.0	1897 . .	22.5
1872 . .	30.6	1898 . .	21.7
1873 . .	29.9	1899 . .	22.6
1874 . .	28.4	1900 . .	23.2
1875 . .	29.3	1901 . .	21.8
1876 . .	28.1	1902 . .	20.6

DECENNIAL AVERAGES.

1851 to 1860	27.8
1861 „ 1870	28.4
1871 „ 1880	28.8
1881 „ 1890	26.5
1891 „ 1900	23.5

The war years, 1866 and 1870-1871, are evidently exceptional, and disturb the decennial averages. It is evident, however, on inspecting the annual returns, that a marked and sustained decline in mortality set in about 1887.¹

The improvement has been nothing less than marvellous in the great towns, in spite of a heaping together of population such as one usually associates only with American cities. The figures of Berlin have been as follows :—

DEATH-RATE IN BERLIN, 1831 to 1903.

Years.	Per 1000 Inhabitants.
1831 to 1840 . .	31·69
1841 „ 1850 . .	27·16
1851 „ 1860 . .	26·92
1861 „ 1870 . .	31·89
1871 „ 1880 . .	32·70
1881 „ 1890 . .	25·84
1891 „ 1900 . .	20·29
1901	18·99
1902	17·11
1903	17·38 ²

¹This is entirely confirmed by the figures for Saxony, which will be found in *Statistisches Jahrbuch für Sachsen* for 1904, p. 35.

²Hirschberg, *Bilder aus der Berliner Statistik* (1904), p. 12. Before comparison with any English figures, it should be remembered that the Berlin figures include still-born. Omitting these, the figure for 1902 would be 16·15.

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This transformation could be easily paralleled from other towns. Thus in Munich, from the terrible average of 40·4 during the years 1871-1875, it had fallen to 21·4 in 1902.¹

7. The number of suicides among the urban population—where they are always most numerous—has considerably diminished :—

1871-1881	.	.	31	per 100,000 inhabitants.
1897-1901	.	.	24·5	„ „

whereon *Soziale Praxis*, the well-known journal for social politics, remarks :—

It is probable that the decrease of suicide is connected with easier conditions of employment, increasing prosperity, improved modes of living, all of which are shown to be facts by the statistics respecting incomes, capital, savings banks, the life insurance system, and the consumption of food.²

8. Emigration during the last decade has dwindled to extremely small proportions. The following are the figures for “Emigration across the sea” :—

¹ This is mentioned by Professor Brentano in his lecture on *Wohnungs-Zustände* (1904), p. 1.

² Quoted by Horsfall, *Improvement of Dwellings*, p. 192, who gives the substance of an article based on the official figures.

OVER-SEA EMIGRATION FROM GERMANY, 1884-1903.

Year.	Number.	Percentage of Population.
1884 . .	149,065	3·22
1885 . .	110,119	2·36
1886 . .	83,225	1·77
1887 . .	104,787	2·20
1888 . .	103,951	2·16
1889 . .	96,070	1·97
1890 . .	97,103	1·97
1891 . .	120,089	2·41
1892 . .	116,339	2·31
1893 . .	87,677	1·73
1894 . .	40,964	0·80
1895 . .	37,498	0·72
1896 . .	33,824	0·64
1897 . .	24,631	0·46
1898 . .	22,221	0·41
1899 . .	24,323	0·44
1900 . .	22,309	0·40
1901 . .	22,073	0·39
1902 . .	32,098	0·56
1903 . .	36,310	0·62 ¹

As we should expect, the depression of 1901-2 has somewhat increased the recent numbers. But they are still below those of 1896, and only a third or fourth of what they were not many years ago.

For a complete survey of the conditions of the German working classes there are still several other

¹ *Stat. Jahrb. für das Deutsche Reich* (1904), p. 22.

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topics which deserve to be considered. It might be shown how, since its creation in 1883-1889, the workmen's insurance system has been almost every year widened in its range, extended in the amount of benefits offered, and brought into closer touch with the real circumstances of working-class life. Most full of promise for the future of the country are the friendly personal relations between the representatives of the employing and employed classes, which has happily been brought about in some important industries by their compulsory co-operation in the carrying out of the new laws.¹ Having achieved the establishment not only of insurance against sickness and accident but also of a vast system of old age pensions, German social reformers are beginning to feel themselves within sight of the next great step in advance—some provision for widows and orphans. The new Customs law of 1902 ear-marked for this purpose such additional income as should be obtained from the new duties on corn. How much this will be cannot be anticipated; and it is unnecessary to enter now into the vexed question of the motives which impelled the legislature to so novel a departure. But, certainly, some of those economists and administrators to whom the construc-

¹ See a most interesting survey of "the progress of the last fifteen years" by Dr. Bödiker (for so long at the head of the Imperial Insurance Office) in Schmoller's *Jahrbuch*, xxviii., p. 91 (1904).

tion of the system already existing has been largely due, take the matter quite seriously.

Or we might look at the encouraging improvement that has taken place in the field of poor relief. It has been most marked in some of the towns like Crefeld, Mannheim and Erfurt—above all in Hamburg, where the number of persons in receipt of relief has positively diminished since 1892 though the population is now half as large again;¹ and in Frankfort, where in 1884-1885 one person out of every thirty-six of the population received out-door relief, in 1902 only one out of fifty-five.² This has been due, indeed, in large measure, to the introduction of the so-called "Elberfeld system". But what we are concerned with now is the actual progress which, whether aided or hindered by the contemporary tariff policy, has co-existed with it. The interconnection, however, of the several elements in the national life may be illustrated from the fact that the compulsory insurance system (whose connection with the tariff policy has been indicated above) has already diminished the relative number of the orphans who become a charge upon public charity.³

¹ Münsterberg in Schmoller's *Jahrbuch*, xxviii., p. 219 (1904).

² Zahn, *German Insurance as a Social Institution* (officially prepared for the St. Louis Exposition, 1904), p. 26.

³ See for Bavaria, the *Zeitschrift des k. Baier. Statistischen Bureau's* (1902), No. 4, p. 328. Cf. Freund, *Armenpflege und Arbeiterversicherung* (*Schriften des Vereins für Armenpflege*, p. 21),

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Or, again, the friends of industrial peace would give their attention to the surprising development, particularly within the last two years, of the practice of "collective bargaining" between bodies of employers and employed. The revival of trade in 1903 naturally led to a good many labour difficulties—as is always the case at such a time. But it has also been accompanied by a movement in the direction of friendly negotiation and joint agreement between capital and labour which has, so far, met with remarkable success. A German trade union paper, with perhaps some pardonable exaggeration, thus describes the altered situation :—

While, in years gone by, our friends have had to carry on struggles for weeks to obtain their most modest demands ; while, but a few years ago, the employers brusquely declined all dealings with an organisation of workpeople ; to-day these same employers are recognising the organisations as equal factors (in the adjustment of wages).¹

The sense of the word "tariff" which is now uppermost in the minds of social reformers in Germany, is that in which it designates a joint agreement as to wages and hours of labour. There are said to be at

(1895). There seems also in Bavaria a decrease in the proportionate number of permanent paupers. The fact that the total number relieved bears the same proportion to the population is apparently mainly due to the larger number receiving temporary assistance. See the table in the *Zeitschrift* already cited, p. 326.

¹The *Holzarbeiterzeitung*, quoted in *Soziale Praxis*, 1st Oct., 1903.

present more than a thousand of these "tariffs" in existence in Germany, most of them local in their character but some covering the whole empire.¹

The most difficult field of all for the social reformer is that of the housing of the people. In the vast transformation which has been taking place in German life during the last half-century, increasing the population and heaping it together in great industrial centres, there can be no doubt that—as in England—accommodation has sadly lagged behind the growing needs. How far the self-interest of employers, the devotion of philanthropists, and, quite recently, the intervention of the State, have succeeded in making up for lost time, I am unable to say. That in some respects the action of German municipalities affords an example which might with great advantage be copied at home is clear from Mr. Horsfall's book, before referred to.² But this, I think, is significant. According to the Statistician of the city of Berlin, the year 1875 may be fixed upon as marking the time when Berlin reached its stage of deepest degradation in this matter of housing.³ But 1875 was the time

¹ Zahn, *Workman's Insurance and National Economy*, p. 22. The progress of the "Tariff-Bewegung" may be followed in the monthly articles on that subject in *Soziale Praxis*.

² Above, p. 41.

³ Hirschberg, *Soziale Lage der Arbeitenden Klassen in Berlin* (1897), p. 29.

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when the *laissez-faire* doctrine most nearly reached its complete victory in public opinion and national policy.

Since 1875 a vast change has taken place in the whole aspect of Berlin. The population of "Larger Berlin" has grown from little over a million to two millions and a half. Entirely new suburbs, both residential and working class, have sprung into existence; there has been a great shifting of the working-class population from the central crowded area into the surrounding districts; and a new type of dwelling—barracks of the kind we in England unhappily designate "model"—has appeared in every direction with the new evils attendant upon it. Under these circumstances, it would be impossible to sum up the development in any brief formula, even if the information were at our disposal—which it is not. The statistics which have been scientifically scrutinised came no later than 1895. Up to that time there had taken place a distinct improvement, at any rate in one respect. The amount of "overcrowding" had greatly diminished, as is shown by the following figures:—

PROPORTION OF OVERCROWDED DWELLINGS IN BERLIN, 1875-1895.

		Out of 1,000 dwellings with one heatable room.	Out of 1,000 dwellings with two heatable rooms.
1875	. .	195·5	20·7
1880	. .	168·6	15·2
1885	. .	167·4	17·1
1890	. .	165·8	15·3
1895	. .	132·2	10·9

Herein Berlin resembled the other great cities; for this decrease of overcrowding had shown itself almost everywhere. It was most marked in Frankfort.

PROPORTION OF OVERCROWDED DWELLINGS IN FRANKFORT,
1885-1895.

	Out of 1,000 dwellings with one heatable room.	Out of 1,000 dwellings with two heatable rooms.
1885 . . .	127·7	20·3
1890 . . .	100	18·6
1895 . . .	43	7·8 ¹

Before leaving the general question of the change in the condition of the labouring classes during the last quarter of a century, I should like to return to a consideration on which I have already dwelt in relation to the agricultural side of German life. The Social Democrats are the largest numerically of all the political parties in the empire. They have come to

¹ See Lindemann on *Wohnungstatistik in Neue Untersuchungen über die Wohnungsfrage* (*Verein für Socialpolitik*, xciv., 1901), p. 340, where also will be found the figures for other towns. As to the movement of rents, it seems to have varied very much from place to place. In Berlin, between 1880 and 1890, rents increased; and the same was true of Dresden and Leipzig. In Hamburg one- and two-roomed tenements, between 1885 and 1890, went up and then fell again, while three- to five-roomed dwellings became cheaper. In Breslau, between 1885 and 1895, one-roomed tenements were unchanged in rent, all others cheaper; while in Munich the smallest tenements fell to lower rents. *Ibid.*, pp. 374, 375.

occupy more nearly the position of "*The Opposition*" than any party before, and they are becoming more and more equivalent, in their general attitude, to the more "advanced" sections of the Liberal party at home. Now, of late years, most of the younger and abler leaders of the party have been engaged in the difficult task of persuading the veterans to agree to a substantial modification of the *theoretical* tenets of German Socialism. This "Revisionist" movement is in truth one of the largest and most significant phenomena in the political life of present-day Germany. And the tenet, taught by Marx, and since hardened into a dogma by militant Socialists, around which the whole controversy turns is that of the "*Verelendung*"—the constant and inevitable tendency towards the progressive impoverishment—of the masses. But why are men like Bernstein¹ ready, nay, anxious, to abandon a teaching which has been in the past the most effective weapon of popular propaganda. Simply because it has become glaringly untrue. The artisan cannot with any decency be told that he is bound inevitably to be driven down to the margin of bare existence, just as the peasant cannot be told that he is sure to be swallowed up by the big landowners, when both of them know that just the opposite is happening. The

¹ *Die Voraussetzungen des Sozialismus* (1899), which has since passed through many editions and been translated into several languages.

intellectual transformation of Social Democracy is simply the outcome of an improvement in the condition of the German people—explain it how one may—which cannot be gainsaid. So that the situation is a very unfortunate one for those in England who would point to Germany as an easy proof of the failure of the policy they dread.

CHAPTER V.

THE DEPRESSION OF 1901-2, AND ITS DISAPPEARANCE.

YET, as we all know, statements with regard to very recent conditions in Germany have been among the staple arguments addressed to the electorate by the opponents of change in our tariff. I prefer not to cite names here; it is notorious that statesmen of eminence and even of some reputation as economists have given utterance to very strong assertions on this point.

On examination it appears that the facts referred to all, or nearly all, belong to the years 1901-2; and it might be asked what we are to think of an economic argument which seeks to prove the failure of a policy pursued for five-and-twenty years by reference simply to two of these years without any attention to what has been happening in the rest of the period. But let us look more closely at the years themselves.

Now, I do not in the least deny that extremely distressing facts with regard to this or that place, class or person can only too readily be adduced. The same thing is unfortunately true of England; and which

country can show the worst examples of misery, I simply do not know. But such selections of facts are not argument: the only way of dealing with them which even approaches argument is to place them in their historical order. Do these facts—sad as they are—mean a growing degradation, or are they consistent with a general amelioration?

What I shall now show is what has been repeatedly indicated by statistics already quoted,¹ viz., that the depression of 1901-2 was only a temporary one, and that it went nothing like far enough to neutralise or destroy the progress already effected.

We have the best sort of material for a judgment—the series of five substantial volumes issued by the *Verein für Socialpolitik* last year with the general title *The Disturbances in the Economic Life of Germany in 1900 and Following Years*.² Each contains a number of elaborate monographs by experts on particular industries. Let us run rapidly through the four volumes concerned with industries.

I. (1) *The Linen Industry*.—The result of the depression was that there was now no longer a dearth of labour. The considerably higher rates of wages reached in the previous years of prosperity were not

¹ See above, pp. 99, 103, 105, 113, 125, 130.

² *Die Störungen im deutschen Wirtschaftsleben während der Jahre 1900 ff. (Schriften des Vereins für Socialpolitik, cv.-cix.)*, 1903.

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usually reduced, and workpeople were not dismissed; but a policy of short time was resorted to.¹

(2) *The Cotton Industry*.—Here the same is true. Rates were not reduced nor employees dismissed; but they had for the time less employment.²

(3) *The Worsted Industry*.—Here there was a marked depression in 1897-1898 (due among other causes to the introduction of the Dingley tariff in America), while other manufactures were getting well into their period of expansion; 1899 was on the whole satisfactory; 1900, a year of severe depression, involving a large reduction in the number of operatives; 1901, a year of convalescence and gradual return to full time. "1901 has proved the inner soundness and strength of the German worsted industry."

Rates of piece wages were not affected nor were workpeople generally dismissed. In many cases they were largely saved from the uncomfortable results of short time by their geographical situation. Most spinning-mills are more or less isolated, out in the country, and their managers did not dare to let their workpeople leave them, and so they had to pay them various extras or reckon six hours as full time. In 1901 they were again on full time.³

II. (1) *Iron-mining and Iron-making in Lorraine-Luxemburg*.—In the steel and rolling mills the

¹ I., pp. 87, 112.

² I., p. 138.

³ I., pp. 188, 231-33. See also above, p. 99.

numbers employed actually increased in 1900 ; in ore-mining and at the blast furnaces the reductions of the labour force, which were considerable, affected almost entirely the day labourers, and chiefly the Italians who had been drawn to the neighbourhood by the previous rapidly growing demand for labour. Many of these found employment at the neighbouring coal mines, where the demand continued. The wages of day labourers fell for the time 20 per cent. ; those of miners proper and skilled labourers were only in a few cases reduced—at most only 5 to 7 per cent. ; in some districts they even advanced slightly.¹

(2) *Mining and Metal Industries of Westphalia.*—Here there was no very large dismissal of employees in the ironworks, though they were put on short time. Rates fell for a while 10 to 15 per cent. The labourers dismissed often found employment in connection with the coal mines either of Westphalia itself or of Luxemburg.²

(3a) *Coal-mining in Silesia.*—"Though the progress was not so impetuous as in 1899-1900, the mining industry of Upper Silesia was still in a position in 1900 to increase its output, to maintain prices, and to employ a considerably larger number of men. It did not in the least present the aspect of a crisis. The number of workpeople increased from 69,500 in 1900

¹ *Störungen*, ii., pp. 49-51.

² II., p. 107. Cf. p. 49.

to 78,000 in 1901; the wages paid increased by more than 10,000,000 marks. . . . In 1902 the demand weakened somewhat, but it remained strong enough to render possible a quiet, secure and steady progress of the business.”¹

(3*b*) *Iron and Steel Industry in Silesia*.—“In Upper Silesia there was never a time of unemployment; indeed the situation was one rather of dearth of labour. The working force—putting on one side the two years of extreme prosperity which attracted a great many foreign labourers—shows a steady increase. The satisfactory increase of wages was uninterrupted: wages went up steadily, untouched by the fluctuations of the market; for adult male workmen it rose about 18 per cent. since 1896.”²

III (1) *The Machine Industry*.—This was severely hit by the depression, which in this case continued through 1902. The number of workmen was cut down some 25 to 30 per cent.; and though there was but a slight fall in *rates* of wages, there was less employment at those rates for those that remained in service. But the pressure of hard times was not felt equally everywhere; thus the figures for a number of the larger works show a decline in the number employed from 2,875 to 2,842 only—and this last number is still more than 1,000 above that of 1895

¹ II., p. 173.

² II., p. 213.

before the boom began and 270 more even than in 1898.¹

(2) *The Electrical Industry*.—This is the manufacture which made perhaps the most astounding progress of all in the years preceding 1901, owing very largely to the technical skill which German enterprise was able and willing to employ. This did not save it from feeling the depression severely. The rates of wages, which had been rising by leaps and bounds (25 per cent. in 1897, 10 to 15 per cent. in 1898), fell off, though apparently not for the highest class of artisan. The hours of work were reduced from ten to eight in many establishments. More serious was the dismissal of large numbers of workpeople, and the substitution in some branches of female for male labour. And yet the number of workpeople remained much higher than in the years immediately before 1899-1900. Thus the Allgemeine Elektrizitäts-Gesellschaft staff fell from 17,361 to 14,644. But in 1898-1899 it had been only 13,382; 1897-1898, 12,000; 1896-1897, 9,817.²

(3) *Shipbuilding*.—Here there was no real depression until 1903, when, as we shall see, it was already passing away elsewhere. "1901 on the whole was favourable."³

¹ III., pp. 12, 26.

² III., pp. 90, 92, 136, 137.

³ III., pp. 187-89.

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(4a) *Paper-making*.—Here the decrease in the total income of the workpeople was at most 10 per cent., probably less. No serious decrease in their number was possible owing to the conditions of the industry.¹

(4b) *Manufactures of Paper*.—In this small but growing and typical group of businesses “the unsatisfactory state of business only slightly affected the workpeople”.²

The impression which these accounts will have produced will probably be this: that we have here to do not with a hopeless and irremediable catastrophe, blotting out the advance of the last two decades, but with a passing depression severe in some occupations and districts, light in others, and leaving some bodies of workpeople quite untouched.

In a separate volume of the same series are collected a number of attempts to estimate the effect, both in extent and duration, of the depression on the labour market. The information here given is of very various sorts and quality, and the conclusions are nowhere summed up. It may suffice if we notice three or four interesting facts. One is that the trade unions of Germany passed through the crisis with practically no falling off of their membership, which is unparalleled by any previous period of depression. The writer attributes this largely to an improvement of their

¹ III., p. 236.

² III., p. 280.

organisation, and especially to the introduction of a system of out-of-work benefit during the course of the '90s.¹ Another is that, while the consumption of meat fell off, it nevertheless did not in a great industrial town like Leipzig fall below what it had been as late as 1897-1898, and remained far above what it was in the early '90s.² That the effect of the "crisis" might, in other respects also, be described simply as a return to the condition of the years immediately before the boom, is illustrated by the fact that the number of persons in receipt of poor relief in proportion to the population, though it increased in 1901, was still only what it had been in 1898 and considerably less than in 1896.³ That the depression was passing away even in 1902 is shown by the circumstance that the number of persons relieved (or else the amount paid in relief) in several typical towns either fell off in 1902 or increased far less than in the previous year.⁴ And finally, the statistics of the public employment bureaus suggest, by the lessening of the relative number of applicants, that the turn of the tide made itself felt by September, 1902.⁵

A good deal of use has been lately made of the gloomy reports of the Prussian factory inspectors for 1902. But it happens that the volume for 1904

¹ V., pp. 129-31.

² V., p. 238.

³ V., p. 264.

⁴ V., p. 262.

⁵ V., pp. 1, 2.

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has since appeared, containing the reports for 1903.¹ And here we find that, out of twenty-nine chief inspectors reporting for their several districts, only three (and these in charge of the least industrially developed provinces, Pomerania, Posen and Schleswig) tell us that no improvement has taken place.² All the rest report *some* improvement. In a few cases it was only slight; in most we are told that more people were being employed; in most also we hear that full time was now being worked, though without change of rates. In some, however, there had taken place that most clear mark of a real improvement of the situation, an increase not only in the amount of work to be got, but also of the rate at which it was performed. This amounted to as much as 10 per cent. in the furniture factories of the Minden district, and 5-10 per cent. in some parts of the district of Liegnitz; while at Halle 25 pfs. were added to the wages of day labourers.³ In some places and occupations the employers were already beginning to complain that they could not procure sufficient labour.⁴ For the Arnsberg district

¹ *Jahresberichte der könig. Preuss. Regierungs- und Gewerbe-Ämter und Bergbehörden, 1904.*

² The remarks as to labour will be found in these reports under two heads. Under "IV. Economic Conditions" we may be told that "no change has taken place in wages"; while under "II. c., Workmen in General," we may learn that more people are employed, and that business is better.

³ Pp. 150, 211, 302. Cf. p. 245.

⁴ Pp. 49, 302, 338.

(containing the Ruhr coal-field and the Siegen iron manufactures) it is reported that the depression, which apparently only set in in 1902, so far continued during the early part of the year 1903 that the average *annual* earnings were much the same; yet the improvement had been so marked during the last two quarters that the year might fairly be "regarded as the beginning of another upward movement".¹ From Essen likewise it is reported that a good deal of overtime was being worked.² Most striking perhaps of all is the fact that, at the very time when people in England have been enlarging on the dreadful condition of the German working man and on the long hours he has to work, the workmen in the shoe factories of Cassel and Erfurt have been securing what they know as "the English working time," and reducing their hours from 10 to 9½. "As this has not led to any decrease of the product, both parties are satisfied with the arrangement."³ In the district of Düsseldorf also there seems to be a pretty general movement in favour of "the English working time," apparently chiefly in regard to Saturday afternoons; and reductions of the hours of labour are reported with regard to a number of metal works, textile mills and printing

¹ Pp. 313, 331.

² P. 389.

³ Pp. 219, 339. The movement has been making progress throughout the years 1900-3. See the Reports for 1902, p. 196.

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shops.¹ The use of the term "Englische Arbeitszeit" is gratifying to our pride; but it looks as if the German working men were not likely to need our compassion much longer.

Our own consular reports enable us to carry this necessary, if tedious, review of the recent past of German industry up to the middle of this present year. The annual reports of Mr. Consul-General Oppenheimer, of Frankfort, have long been recognised as competent and well informed, and they deal with the whole of the empire. And in his report despatched on 13th June of the present year, Mr. Oppenheimer thus sums up the situation. His words are full of instruction for us in reference to the tariff controversy; but I shall leave them without comment.

1902 showed already signs of improvement after the bad year of 1901. These improvements had been greatly due to very energetic attempts to push the export trade, whereby the great stocks on the home market were reduced and whereby fresh contracts could be secured, even if at unremunerative prices, which prevented at any rate wholesale dismissals of workmen. In 1903 the improvement of 1902 has continued, and this improvement has made even more rapid strides in the first months of 1904. One has to revert to March, 1900, to find an equally favourable relation between demand and supply of labour in the German market for that month. . . . In 1902 the improvement was noticeable in a few branches only. In 1903 the improvement was more general. While the improvement of the

¹ P. 390,

former was chiefly brought about by energetic exportation, the improvement in the latter is due to a significant revival of the home consumption. The good harvest of 1902 was followed by an even better one in 1903. . . . In spite of the large quantities, harvest prices on the whole were deemed satisfactory. This considerably increased the purchasing power of the rural population, which brought activity more especially into the machine and textile industries.

1903 might, perhaps, be commercially characterised as a normal average year. . . . Considering the enormous extension of works which had taken place during the boom, and which to-day represents a tremendously increased capacity of output, it is, to say the least, satisfactory to find that the works, generally speaking, had no cause to be dissatisfied with the amount of their business.¹

¹ *Report (Diplomatic and Consular Reports, Annual Series, No. 3,221), pp. 3-6.*

APPENDIX.

THE CONSUMPTION OF HORSE-FLESH.

AFTER the foregoing accumulation of evidence as to the substantial progress of the German people, and its only temporary interruption by the depression of 1901-2, I am loath to bore the reader by touching even briefly on a topic which has been made curiously prominent during the last few months. As the far-greater includes the much-less, the question of the consumption of horse-flesh in Germany might be left to common-sense. But it may seem shirking an argument if it is disregarded.

That some horse-flesh is consumed by some working people in Germany is a fact. It is a fact also that more is consumed at some times than at others; and this may be the case when the prices of the more usual kinds of meat happen to be high, even if the general condition of trade and employment is fairly good. Thus the price of pig-meat (Schweinefleisch), the chief flesh food of the working classes, went up slightly in 1897 and considerably in 1898. Accordingly, there was some increase in these years in the amount of horse-flesh consumed, to judge from the

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returns of the public slaughter-houses.¹ This, be it noted, was at a time when the wave of prosperity—bringing good employment and good wages—which broke in 1901, was still well under way. Then, in most places, the prices of pork, etc., fell, and remained relatively low till 1901. In that year they rose in some places, and in 1902 they rose pretty considerably everywhere.² Coming on top of the general trade

¹ The figures for 1895, 1897, 1898, for some thirty towns are given in Rothe, *Das deutsche Fleischergewerbe* (1902), pp. 183-84.

² For a general account of the price movements of these years, see Singer's article in *Störungen*, v., pp. 244-45.

It is sometimes implied that the rise of prices in Germany in 1902 was in some way due to Protection. But it is a striking fact that similar phenomena were to be seen in that year in other countries. In England, beef—both British and American—went up very considerably in price between March and September. For the better parts the rise was as much as 1½d. and 2d. per pound; and the prices of this period would seem to have been quite unprecedented in recent times. Pork rose in price from ¾d. to 1d. per pound; and there was a temporary rise in bacon (see the figures in the *Report of the Board of Trade on Wholesale and Retail Prices*, 1903, pp. 260-76). In the United States the increase of beef prices was so great as to cause a public outcry against the Beef Trust, and to lead to some significant judicial proceedings (see the article on *Beef Prices* in the *Bulletin of the Department of Labor*, No. 41, July, 1902). How far the Beef Trust may have taken advantage of the shortage in the supply I am unable to say; but it is quite clear that the fundamental causes for the rise of the price of beef on both sides of the Atlantic was the failure of the maize crop in the United States in 1902, and the prolonged drought in Australia. This was pointed out by Mr. Hanbury, then President of the Board of Agriculture, to the deputations of butchers and meat

depression, with its diminished earnings, undoubtedly the pinch was severely felt.¹ In some places there was again a larger resort to horse-flesh ; and, as a bitter opposition was being carried on during these years to certain tariff proposals of the Government, the fact lost nothing in the telling. I suppose it is a distressing thing that any horse-flesh at all should be used ; though whether it is worse than that absence of meat of any kind from their diet, from which cer-

sellers who urged upon him the removal of the restrictions upon the importation of Argentine cattle (see *Reports of the Deputations concerning the Argentine Cattle Trade*, 23rd and 29th Oct., 1902. Cf. the *Economist*, *Review of 1902*, p. 8). The meat interests concerned gave gloomy accounts of the hardship inflicted upon the working classes of England by their being compelled to resort to the less nutritious frozen meat.

The rise of pig-meat prices in Germany in 1902 is attributed to a deficiency that year in the number of pigs sent to market. It is not easy to see how the largest freedom of trade could have greatly relieved the situation, considering the world-shortage. Perhaps if the German people had been more accustomed to eat mutton, they might have obtained some supply from New Zealand. But for that a transformation of the historic habits of the people would be necessary. Even in England the use of New Zealand mutton is a comparatively recent thing, and has been greatly hastened by common speech and the Imperial tie. On both sides of the controversy there is too great a disposition to magnify the effect of tariff measures and to disregard the other forces at work.

¹ For the efforts of some employers to secure supplies of *fish*, see the *Reports of the Prussian Factory Inspectors* for 1902, pp. 126, 189 ; for 1903, p. 77. For a successful effort to keep down the prices by procuring meat wholesale, 1902, p. 382.

tain of the very poor both in England and Germany chronically suffer, I should be inclined to doubt. But surely the amount of regret should have some relation to the amount consumed and to its increase or decline. As to the amount, the only statistics which are, I believe, accessible, reckoned it in 1895 at the following percentages of the total meat consumption in the towns from which returns were obtained: in two towns 6 per cent., in two 4 per cent., in six 3 per cent., in six 2 per cent., in eleven 1 per cent., in five less than 1 per cent.¹ In 1898 the number of horses slaughtered for food had practically not changed at all in several towns; where it had increased most, the increase had not been more than one-fourth or one-fifth; so that the proportion which horse-flesh bore to the total meat consumed can have increased but slightly above the percentages of 1895. That the amount was larger in 1898 than in previous periods of high prices we have no evidence; and such evidence as we have is the other way. Some recent writers have made much of the figures about Munich. They have called attention to the fact that the number of horses killed for human food has increased in that city in certain recent years. But we have to ask how many had been killed in earlier years, and in what proportion they stood to the population. The figures are as follows:—

¹ Rothe, *Fleischergewerbe*, p. 183.

CONSUMPTION OF HORSE-FLESH IN MUNICH, 1881-1901.

Year.	No. of Horses.	Population.	No. of Population to One Horse.
1881 . .	778	233,600	300
1882 . .	749	240,000	320
1883 . .	1093	246,400	225
1884 . .	1335	252,800	189
1885 . .	1155	259,200	224
1886 . .	989	268,000	260
1887 . .	962	280,200	291
1888 . .	1103	292,800	265
1889 . .	1424	306,000	214
1890 . .	1728	331,000	190
1891 . .	1755	357,000	203
1892 . .	1736	372,000	214
1893 . .	1734	385,000	222
1894 . .	1659	393,000	236
1895 . .	1444	400,000	277
1896 . .	1433	415,000	289
1897 . .	1419	430,000	303
1898 . .	1830	446,000	243
1899 . .	1881	466,000	241
1900 . .	1753	490,000	279
1901 . .	2055	503,000	245 ¹

¹ Creuzbauer, *Die Versorgung Münchens mit Lebensmitteln* (1903), gives the number of horses on page 16 and the population on page 3. I have calculated the proportion. The slaughter-house was opened in 1881.

The calculations are open to criticism on both sides. As to the number of *horses*, these figures include some which were not slaughtered for human food. But Dr. Creuzbauer has kindly informed me that these are probably balanced in number by the horses still secretly killed in the town. And the *population* was swollen by the incorporation in 1890 of one suburb with 12,000

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To make the meaning of these figures clearer, I have put them into the form of a chart. It is at once seen that when one takes into account the size of the population, the whole aspect of the matter is changed. Considering the fact that the population was doubling and the city becoming a manufacturing and commercial centre, with a larger proportion of working people, if the amount per head *had* increased it would not necessarily have meant a deterioration. But the tendency on the whole is towards a decline, even in proportion to the population, and we see that the greatest consumption of recent years—that in 1901 and 1898-99—was considerably less than that in 1890 and 1884. The price of pork fell again throughout Germany in 1903; and probably if we had the figures for that year we should find that the consumption of horse-flesh by the poorer classes had again declined.

The foregoing sentence was already in print when information came to hand which bore out the anticipation. Much stress has been laid in Germany on the report of the Chamber of Commerce of Plauen that the consumption of horse-flesh in that district had considerably increased in 1902. The district in question is one of the most thickly peopled in the kingdom of Saxony, with a population of some three-quarters

people, and another with 11,000, in 1892 of one with 1,500, in 1900 of one with 4,000, and in 1901 of two with 3,600 and 1,300 respectively. This makes 1890-93 seem more satisfactory years than they really were.

of a million. It is a highly industrialised region, and one of the chief homes of textile manufactures. And now we find that in 1903 the number of horses passed for human food by the inspectors of the public slaughter-houses fell from 708 to 628. On comparing these numbers with those of the population, the amount of horse-flesh consumed even in 1902 will be found to be exceedingly small—one-fourth or less of that in Munich—*viz.*, one horse for 1,068 of the population; and this had sunk in 1903 to one for 1,227.¹

¹ *Jahresbericht der Handelskammer Plauen auf das Jahr 1903* (Plauen, 1904), pp. 91-93.

The statistics for Berlin are not easy to interpret; first, because of the doubt whether the figures for the earlier years include all the horses slaughtered for food in the city (*cf.* Rothe, *Fleischergewerbe*, pp. 74-77); and secondly, because of the doubt as to the area served by the present Berlin slaughter-house (*cf.* Pollard, *A Study in Municipal Government*, p. 62). Assuming that the figures (given in *Statistisches Jahrbuch der Stadt Berlin*, 1903, p. 282) indicate the consumption of Greater Berlin (whose population for 1880, 1885, 1890, 1895 is given in Voigt, *Grundrente*, p. 157, and for 1900-1902 in the *Jahrbuch*, p. 18), it would seem that on the whole the tendency between 1880 and 1895 was to a decrease in the quantity consumed. The years of greatest consumption were the years of highest prices of "Schweinefleisch" (to be found in Rothe, p. 94), and not necessarily years of general trade depression. The amount undoubtedly increased considerably in 1901-2; and in the latter year it was as much as one horse for every 198 of the population of Greater Berlin, if we suppose that none of the meat slaughtered in Berlin was carried outside. But it had fallen again in 1903 to about one for 215.

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